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MONTANA LEGISLATIVE HISTORY

Chapter 311 1989

Bill H 645 S _____ Original bill & history ✓ C

H. Committee on Natural Resources		S. Committee on Natural Resources	
Hearing Date(s) Feb 16	✓ C	Hearing Date(s) Mar 09	✓ C
Feb 20	✓ C	Mar 16	✓ C
_____	____ C	_____	____ C
_____	____ C	_____	____ C
Date Out _____	____ C		

Did this bill originate in an interim committee? ____ Yes ____ No

Committee _____ Report _____

2/07 FISCAL NOTE REQUESTED
2/12 HEARING
2/12 COMMITTEE REPORT--BILL NOT PASSED
2/13 FISCAL NOTE RECEIVED
2/13 ADVERSE COMMITTEE REPORT ADOPTED 86 11

HB 645 INTRODUCED BY BROWN, D., ET AL.
CLARIFIES IMPACT PLAN SECTION OF HARD-ROCK MINING IMPACT ACT

2/06 INTRODUCED
2/06 REFERRED TO NATURAL RESOURCES
2/07 FISCAL NOTE REQUESTED
2/09 FISCAL NOTE RECEIVED
2/16 HEARING
2/21 COMMITTEE REPORT--BILL PASSED AS AMENDED
STATEMENT OF INTENT ADOPTED
2/24 2ND READING PASSED AS AMENDED 84 14
2/24 3RD READING PASSED 87 13

TRANSMITTED TO SENATE
3/02 REFERRED TO NATURAL RESOURCES
3/09 HEARING
3/17 COMMITTEE REPORT--BILL CONCURRED
3/20 2ND READING CONCURRED 49 0
3/23 3RD READING CONCURRED 45 3

RETURNED TO HOUSE
3/26 SIGNED BY SPEAKER
3/27 SIGNED BY PRESIDENT

3/27 TRANSMITTED TO GOVERNOR
3/31 SIGNED BY GOVERNOR
CHAPTER NUMBER 311 EFFECTIVE DATE: 3/31/87

HB 646 INTRODUCED BY STANG, ET AL.
ALLOW SPECIAL IMPROVEMENT DISTRICT/RURAL SPECIAL IMPROVEMENT DISTRICT FOR TRANSMISSION FACILITIES FOR ELECTRICITY, GAS, AND PHONE

2/07 INTRODUCED
2/07 REFERRED TO LOCAL GOVERNMENT
2/13 HEARING
2/14 COMMITTEE REPORT--BILL PASSED AS AMENDED
2/17 2ND READING PASSED 92 0
2/18 3RD READING PASSED 86 1

TRANSMITTED TO SENATE
2/19 REFERRED TO LOCAL GOVERNMENT
3/03 HEARING
3/04 COMMITTEE REPORT--BILL CONCURRED
3/07 2ND READING CONCURRED 47 0
3/10 3RD READING CONCURRED 48 0

RETURNED TO HOUSE
3/12 SIGNED BY SPEAKER
3/12 SIGNED BY PRESIDENT

3/13 TRANSMITTED TO GOVERNOR
3/16 SIGNED BY GOVERNOR
CHAPTER NUMBER 116 EFFECTIVE DATE: 10/01/87

HB 647 INTRODUCED BY BULGER
WEEKLY MEDICATION REVIEW NOT REQUIRED FOR OUTPATIENTS

HOUSE BILL NO. 645

INTRODUCED BY D. BROWN, ELLISON, MARKS, KELLER, GRADY, SPAETH, IVERSON, MCLANE, HAMMOND

IN THE HOUSE

FEBRUARY 6, 1987	INTRODUCED AND REFERRED TO COMMITTEE ON NATURAL RESOURCES.
FEBRUARY 21, 1987	COMMITTEE RECOMMEND BILL DO PASS AS AMENDED. REPORT ADOPTED.
	STATEMENT OF INTENT ADOPTED.
FEBRUARY 23, 1987	PRINTING REPORT.
FEBRUARY 24, 1987	SECOND READING, DO PASS AS AMENDED.
	ON MOTION, RULES SUSPENDED AND BILL PLACED ON THIRD READING THIS DAY.
	THIRD READING, PASSED. AYES, 87; NOES, 13.
	TRANSMITTED TO SENATE.

IN THE SENATE

MARCH 2, 1987	INTRODUCED AND REFERRED TO COMMITTEE ON NATURAL RESOURCES.
MARCH 17, 1987	COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED.
MARCH 20, 1987	SECOND READING, CONCURRED IN.
MARCH 23, 1987	THIRD READING, CONCURRED IN. AYES, 45; NOES, 3.
	RETURNED TO HOUSE.

IN THE HOUSE

MARCH 23, 1987 RECEIVED FROM SENATE.

SENT TO ENROLLING.

LC 0115/01

House BILL NO. 645

INTRODUCED BY Dan Brown Ellison Marks Keller Small Speeth Iverson McGee Hammond

A BILL FOR AN ACT ENTITLED: "AN ACT SPECIFYING THAT A LARGE-SCALE MINERAL DEVELOPMENT MAY CAUSE AN INFLUX OF PEOPLE DIRECTLY RELATED TO THE AREA OF THE DEVELOPMENT; REQUIRING THAT A MINERAL DEVELOPER IN CONSULTATION WITH AFFECTED LOCAL GOVERNMENT UNITS SHALL ENSURE THAT THE HARD-ROCK MINING IMPACT PLAN MEETS STATUTORY REQUIREMENTS; AND CLARIFYING THAT THE IMPACT PLAN IS APPROVED WITHOUT ANY REVIEW BY THE HARD-ROCK MINING IMPACT BOARD IF NO OBJECTIONS ARE FILED WITHIN THE 90-DAY REVIEW PERIOD; AMENDING SECTIONS 82-4-335, 90-6-301, 90-6-307, 90-6-308, AND 90-6-403, MCA, AND RULE 8.104.203A, ADMINISTRATIVE RULES OF MONTANA; AND PROVIDING AN APPLICABILITY DATE AND AN IMMEDIATE EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 82-4-335, MCA, is amended to read:

"82-4-335. Operating permit. (1) No person shall engage in mining, ore processing, or reprocessing of tailings or waste material or construct or operate a hard-rock mill or disturb land in anticipation of those activities in the state without first obtaining an operating permit from the board to do so. A separate operating permit shall be required for each complex. Prior to receiving an operating permit from the board, any person must pay the basic permit fee of $25 and must submit an application on a form provided by the board, which shall contain the following information and any other pertinent data required by the rules:

(a) name and address of the operator and, if a corporation or other business entity, the name and address of its principal officers, partners, and the like and its resident agent for service of process, if required by law;

(b) minerals expected to be mined;

(c) a proposed reclamation plan;

(d) expected starting date of operations;

(e) a map showing the specific area to be mined and the boundaries of the land which will be disturbed, topographic detail, the location and names of all streams, roads, railroads, and utility lines on or immediately adjacent to the area, location of proposed access roads to be built, and the names and addresses of the surface and mineral owners of all lands within the mining area, to the extent known to applicant;

(f) types of access roads to be built and manner of reclamation of road sites on abandonment;

(g) a plan which will provide, within limits of normal operating procedures of the industry, for completion of the

INTRODUCED BILL
HB 645

operation;

(h) ground water and surface water hydrologic data gathered from a sufficient number of sources and length of time to characterize the hydrologic regime;

(i) a plan detailing the design, operation, and monitoring of impounding structures, including but not limited to tailings impoundments and water reservoirs, sufficient to ensure that such structures are safe and stable;

(j) a plan identifying methods to be used to monitor for the accidental discharge of objectionable materials and remedial action plans to be used to control and mitigate discharges to surface or ground water; and

(k) an evaluation of the expected life of any tailings impoundment or waste area and the potential for expansion of the tailings impoundment or waste site.

(2) Except as provided in subsection (4), the permit provided for in subsection (1) for a large-scale mineral development as defined in 90-6-302 shall be conditioned to provide that activities under the permit may not commence until the ~~hard-rock-mining-impact-board-approves-the~~ impact plan is approved under 90-6-307 and until the permittee has provided a written guarantee to the department and to the hard-rock mining impact board of compliance within the time schedule with the commitment made in the approved impact

plan ~~approved--by--the--hard-rock--mining--impact-board~~, as provided in 90-6-307. If the permittee does not comply with that commitment within the time scheduled, the board, upon receipt of written notice from the hard-rock mining impact board, shall suspend the permit until it receives written notice from the hard-rock mining impact board that the permittee is in compliance.

(3) When the department determines that a permittee has become or will become a large-scale mineral developer pursuant to 82-4-339 and 90-6-302(4) and provides notice as required under 82-4-339, within 6 months of receiving the notice, the permittee shall provide the board with proof that he has obtained a waiver of the impact plan requirement from the hard-rock mining impact board or that he has filed an impact plan with the hard-rock mining impact board and the appropriate county or counties. If the permittee does not file the required proof or if the hard-rock mining impact board certifies to the board that the permittee has failed to comply with the hard-rock mining impact review and implementation requirements in Title 90, chapter 6, parts 3 and 4, the board shall suspend the permit until the permittee files the required proof or until the hard-rock mining impact board certifies that the permittee has complied with the hard-rock mining impact review and implementation requirements.

(4) Compliance with 90-6-307 is not required for exploration and bulk sampling for metallurgical testing when the aggregate samples are less than 10,000 tons."

Section 2. Section 90-6-301, MCA, is amended to read:

"90-6-301. Declaration of necessity and purpose. The large-scale development of mineral deposits in the state ~~causes~~ may cause an influx of people ~~into-the-area-of~~ directly related to the area of the development ~~many--times larger--than--the--number-of-people-directly-involved-in-the mining--operation~~. This influx of people and the corresponding increase in demand for local government facilities and services ~~creates~~ may create a burden on the local taxpayer. There is a significant lag time between the time when additional facilities and services must be provided and the time when additional tax revenue is available as a result of the increased tax base. In addition, local government units in whatever jurisdiction the development is not located may receive substantial adverse economic impacts without benefit of a major increased tax base in the future. There is therefore a need to provide a system to assist local government units in meeting the initial financial impact of large-scale mineral development."

Section 3. Section 90-6-307, MCA, is amended to read:

"90-6-307. Impact plan to be submitted. (1) After an

application for a permit for a large-scale mineral development is made under 82-4-335, the person seeking the permit shall submit to the affected counties and the board an impact plan describing the economic impact the large-scale mineral development will have on local government units and shall file proof of such submission to the counties with the board. Whenever an environmental impact statement on the permit application is prepared under 75-1-201, the lead agency shall cooperate to the fullest extent practicable with the affected local government units to eliminate duplication of effort in data collection. The governing bodies of the affected counties shall publish notice of the submission of an impact plan at least once in a newspaper of general circulation in the county. The ~~impact-plan-shall-include~~ mineral developer and the affected local government units shall ensure that the impact plan includes:

(a) a timetable for development, including the opening date of the development and the estimated closing date;

(b) the estimated number of persons coming into the impacted area as a result of the development;

(c) the increased capital and operating cost to local government units for providing services which can be expected as a result of the development;

(d) the financial or other assistance the developer

will give to local government units to meet the increased need for services.

(2) In the impact plan, the developer shall commit itself to pay all of the increased capital and net operating cost to local government units that will be a result of the development, as identified in the impact plan, either from tax prepayments, as provided in 90-6-309, special industrial educational impact bonds, as provided in 90-6-310, or other funds obtained from the developer, and shall provide a time schedule within which it will do so. The plan may provide for funding from other revenue sources or funding mechanisms if the developer guarantees that the amount to be provided from these sources will be paid.

(3) Upon request of the governing body of an affected unit of local government, the mineral developer, prior to the end of the 90-day review period, shall provide financial or other assistance as necessary to prepare for and evaluate the impact plan. The governing body of the affected county must contract with the developer to obtain the requested financial assistance for each unit of local government within the county. Any disbursements to a unit of local government under this subsection shall be credited against future tax liabilities, if any.

(4) The governing body of the county where the fiscal impacts on local government units are forecasted in the

impact plan to be most costly shall, within 90 days after receipt of the impact plan from the developer, conduct a public hearing on the impact plan.

~~(4)~~(5) An affected local government unit shall, within 90 days after receipt of the impact plan from the developer, notify the board in writing if that local government unit objects to the impact plan, specifying the reasons why the impact plan is objected to. During the 90-day period, an affected local government unit may petition for one 30-day extension by submitting a written request to the board stating the need and justification for the extension. The board shall grant the extension unless it finds there is no reasonable basis for the request. If no objection is received within the 90-day period or any extension thereof, the impact plan ~~shall be~~ is approved without any review by the board. An approved plan is binding and may only be altered under the amendment provisions of 90-6-311.

~~(5)~~(6) If objections are received from a local government unit, the board shall, within 10 days, notify the developer and forward a copy of the local government unit's objections to the developer. The local government unit and the developer have 30 days, or a longer period if both the local government unit and the developer request an extension, to resolve the objection. If the objections are not resolved, the board shall conduct a hearing on the

validity of the objections, which shall be held in the affected county or, if objections are received from local government units in more than one county, shall be held in the county which, in the board's judgment, is more greatly affected. The provisions of the Montana Administrative Procedure Act shall apply to the conduct of the hearing. The impact plan filed by the developer shall carry no presumption of correctness at the hearing.

~~(6)~~(7) Following the hearing, the board shall, within 60 days, make findings as to those portions of the impact plan which were objected to and, if appropriate, amend the impact plan accordingly. The findings and impact plan, as amended, shall be served by the board upon all parties. Any local government unit or the developer, if aggrieved by the decision of the board, is entitled to judicial review, as provided by Title 2, chapter 4, part 7, in the district court in and for the judicial district in which the hearing was held.

~~(7)~~(8) The developer shall, within 30 days of receipt of the approved impact plan, provide the board with a written guarantee that the developer will meet the increased costs of public services and facilities as specified in the approved impact plan and according to the time schedule contained in the approved impact plan.

~~(8)~~(9) The developer may make payments as specified in

the approved impact plan directly to a local government unit or to the board. The governing body of a local government unit receiving payments shall deposit the payments into an impact fund. The developer and the affected governing body shall each issue to the board written verification of each payment and its intended use in compliance with the impact plan. The board shall deposit payments received from a developer into the hard-rock mining impact account established by 90-6-304.

~~(9)~~(10) The board shall notify the department of state lands of its receipt of the written guarantee of payment and of any failure of the developer to comply with this section.

~~(10)~~(11) Upon receipt of evidence that an affected local government unit identified in the approved impact plan is providing or is preparing to provide an additional service or facility provided for in the approved impact plan, the board shall, if the hard-rock mining impact account is used to deliver payments to the local government unit, pay to that local government unit, in one sum or in parts, the money from the hard-rock mining impact account identified in the plan as the increased cost to the local government unit of providing that public service or facility.

~~(11)~~(12) If it is determined that an objection filed by an affected local government unit under subsection ~~(4)~~ (5)

or 90-6-311(3) is valid and it results in some remedial order by the board or court of competent jurisdiction, the local government unit shall be awarded and the developer shall pay reasonable costs and attorney fees associated with any administrative or judicial appeals filed under this section. Any attorney fees and costs awarded shall be in addition to any amounts paid by the developer under this part.

~~(12)~~(13) Upon a determination by the department of state lands that a permittee under 82-4-335 has become or will become a large-scale mineral developer, the permittee may petition the board for a waiver of the impact plan requirement. The board may grant a waiver or conditional waiver of this requirement only if it has provided notice and opportunity for hearing to the permittee and to all affected local government units. The board shall adopt criteria under which a waiver may be granted. A waiver issued by the board may be revoked as provided in the conditional waiver or if the permittee and contractors at the mineral development increase their payrolls from the date of the waiver by 75 or more persons, provided the revocation is requested by an affected local government unit and notice and opportunity for hearing are given to the permittee and all affected local government units. The board shall notify the board of land commissioners of any waiver

that has been revoked.

~~(13)~~(14) When a person who holds an operating permit under 82-4-335 and who has filed an impact plan fails to comply with the review and implementation requirements in this part and part 4 of this chapter, the board shall certify to the board of land commissioners that the failure to comply has occurred and shall certify when a permittee who has previously failed to comply comes into compliance."

Section 4. Section 90-6-308, MCA, is amended to read:

"90-6-308. Permit procedure and review of impact plan to run concurrently. It is intended that the procedure for fulfilling the permit requirement of 82-4-335 and the review of the impact plan by the board under ~~90-6-307~~ 90-6-307(5) and (6), if review occurs, are to run concurrently."

Section 5. Section 90-6-403, MCA, is amended to read:

"90-6-403. Jurisdictional revenue disparity -- conditioned exemption and reallocation of certain taxable valuation. (1) When an impact plan for a large-scale mineral development approved ~~by--the--board~~ pursuant to 90-6-307 identifies a jurisdictional revenue disparity, the board shall promptly notify the developer, all affected local government units, and the department of revenue of the disparity. Except as provided in this section and 90-6-404, the increase in taxable valuation of the mineral development that occurs after the issuance and validation of a permit

under 82-4-335 is not subject to the usual application of county and school district property tax mill levies. This increase in taxable valuation must be allocated to local government units as provided in 90-6-404. The increase in taxable valuation allocated as provided in 90-6-404 is subject to the application of property tax mill levies in the local government unit to which it is allocated.

(2) The total taxable valuation of a large-scale mineral development remains subject to the statewide mill levies and basic county levies for elementary and high school foundation programs as provided in 20-9-331 and 20-9-333.

(3) The provisions of subsection (1) remain in effect until the large-scale mineral development ceases operations or until the existence of the jurisdictional revenue disparity ceases, as determined by the board."

Section 6. The Hard-Rock Mining Impact Board shall amend Rule 8.104.203A, Administrative Rules of Montana, to read:

"8.104.203A ~~DEFINITIONS~~ DEFINITION For purposes of these rules, the ~~following definitions apply:~~

~~(1)--The "estimated number of persons coming into the impact area as a result of the development" means:~~

~~(a)--those inmigrating persons who are or will be employed in the construction or operation of the development and their inmigrating family members;~~

~~(b)--those inmigrating persons who will provide service or support to the development or to those persons encompassed by (a) and their inmigrating family members; and~~

~~(c)--any other persons identified in an approved impact plan as being expected to move into the impact area as a result of the development.~~

~~(2)--The~~ term 'impacted area' means the jurisdictional area or areas of the affected local government units identified in an impact plan or in an amendment to an impact plan."

NEW SECTION. Section 7. Extension of authority. Any existing authority of the hard-rock mining impact board to make rules on the subject of the provisions of this act is extended to the provisions of this act.

NEW SECTION. Section 8. Applicability. This act applies to all impact plans submitted after the effective date of this act.

NEW SECTION. Section 9. Effective date. This act is effective on passage and approval.

-End-

STATE OF MONTANA - FISCAL NOTE
Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB645 , as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:
An act specifying that a large-scale mineral development may cause an influx of people directly related to the area of the development; requiring that a mineral developer, in consultation with affected local government units, shall ensure that the hard-rock mining impact plan meets statutory requirements; and clarifying that the impact plan is approved without any review by the hard-rock mining impact board if no objections are filed within the 90-day review period.

ASSUMPTIONS:
This bill will not affect the current level of operations of the Hard-Rock Mining Impact Board.

FISCAL IMPACT:
None.

David L Hunter DATE 2/9/87
DAVID L. HUNTER, BUDGET DIRECTOR
Office of Budget and Program Planning

Dave Brown DATE 2/9/87
DAVE BROWN, PRIMARY SPONSOR

Fiscal Note for HB645, as introduced.

HB 645

SANDY MERDINGER representing the League of Women Voters stated they support this bill and urged the committee's favorable recommendation.

NO OPPONENTS

NO QUESTIONS FROM THE COMMITTEE

In closing, Rep. Harper stated the committee was well aware of this bill, and the need there is for this program in the State of Montana. He urged their favorable recommendation in the passage of HB 718.

HEARING CLOSED ON HB 718.

HOUSE BILL NO. 645: REP. DAVE BROWN, District #72, sponsor, stated Rep. Ellison and himself started out on a task of trying to find a solution amongst a number of problems that arose in the administering of the Hard Rock Mining Act, which is the primary reason for this bill. He stated HB 645 does three things, those being on page 6, lines 14-17, the intent of the Hard Rock Mining Act is that the state should stay out of the operation of the act, and that it should be limited to discussion between the local governing units and the developer, unless they couldn't agree, and if they couldn't agree, then through the objection process, it goes to the Hard Rock Mining Board for resolution of the impact plan that's developed in that area. There has been some departure of this practice and thus, brings this bill here. What this provision does, is that the mineral developer and effective local governing units will make the decisions as to what's in that impact plan and the Hard Rock Board does stay out of it, unless there is an objection to the plan, or down the road, there is an amendment to the act or to the plan, which requires the Hard Rock Board to bring it back into their advisory. He stated all other changes in the bill, occuring in different sections, are all made to be consistent with this change in statute as seen in HB 645. The second thing the bill does, is address the original declaration of necessity and purpose in the act. He stated industry has brought it to their attention, that the original statements of necessity and purpose basically assume that there will be a substantial impact and a large influx prior to the impact act making that determination. So, all agreed to change the language to say that it may cause an influx of people directly related to the area but it may create a burden on the local taxpayer, and that is why we have a Hard Rock Impact Act. The impact plan will tell us whether indeed, it does or not. Rep. Brown stated he did have an updated Statement of Intent for the bill, and submitted this to the committee (Exhibit 4). He urged the committee's support of the bill.

PROPONENTS: DAVE SUHR, an ASARCO employee, stated they do support this bill, and they feel it is in the best interest of all companies that work with the communities, to be responsible to these communities as well. He urged the committee's support of HB 645.

REP. BOB MARKS, District #75, stated for the record, he does support this bill, especially when we are dealing with secondary impacts. He feels this bill will serve as a clarification and felt it was a needed measure.

RICHARD WEDDLE, Legal Counsel, for the Hard Rock Mining Impact Board submitted testimony (Exhibit 5). He stated HB 645 would redefine the roles of the Board and participants in reviewing impact plans under the Hard Rock Mining Act. The bill would relieve the Board of its current responsibility to assure that impact plans comply with the technical requirements of the Act. By doing this, the bill will eliminate any apprehension on the part of the mineral developers and affected local government units to devise a plan or plans which are not only fair, but comprehensible and legally assistable. The Board is confident that the participants will meet this challenge. The Board supports HB 645 as it has all the efforts to clarify and simplify the act. At the same time, the Board recognizes that any modifications of such a complex statutory scheme are likely to give to a new set of questions. In responding to those questions, the Board will be guided, as always, by the public policy established by the legislature.

ED JASMIN, President of the Hard Rock Mining Impact Board, stated they do support this bill, because it does relieve the Board of its current responsibility to assure that impact plans comply with technical requirements of the act. He asked the committee's support of HB 645.

DOUGLAS SCHMITZ, County Commissioner for Jefferson County, stated they currently are very excited about the Golden Sunlight Montana Tunnels project, and he feels this bill will help to streamline the process, however, will still keep the Board involved, when necessary.

MIKE MCLEAN, Project Manager at the Jardine Joint Venture submitted testimony (Exhibit 6). He stated HB 645 clarifies that Hard Rock Mining Impact Board's responsibility in the approval of an impact plan. He stated, local government should have the primary responsibility and authority for administration of the Hard Rock Mining Impact Act. The role of the Board should be one of an arbitrator, rather than just that of a regulator. It is for these reasons, that we do support this bill.

Due to the time limit, Chairman Jones asked that the remaining people wishing to testify, merely state their name, who they represent and leave any written testimony if they chose to do so.

JOHN S. FITZPATRICK, Manager of Administration, Centennial Minerals, Inc. submitted testimony in support (Exhibit 7).

WARD SHANAHAN Representing the Chevron Corporation submitted testimony in support of HB 645 (Exhibit 8).

ART WITTICH representing the Western Energy Company submitted testimony supporting HB 645 (Exhibit 9).

GARY LANGLEY, Executive Director, Montana Mining Association submitted testimony in support of HB 645 (Exhibit 10).

OPPONENTS: STEVE DOHERTY, an attorney in Great Falls, submitted testimony (Exhibit 11). He stated HB 645 unintentionally upsets that balance and opens a loophole, it changes the terms of the bargain that was struck in 1981, and these changes affect the integrity of the Impact Act. For these reasons, he must oppose this bill.

RICHARD PARKS, owner of the Parks' Fly Shop in Gardiner, submitted testimony (Exhibit 12). He stated the Hard Rock Impact Act has been working quite well for several eyars. It has been suggested by industry proponents, that the act has been "bad for business" but no one has produced any evidence of this alleged affect. The appeal for this bill is based on two great errors. The first of these, is an error in fact - that somehow the problems we are experiencing in Montana's economy can be traced to our "over zealous" regulations or to "punitive" tax laws. Both of these errors are promoted under the general rubric of "improving the business climate." He stated for these reasons, they do oppose this bill.

Due to the time limit, the people wishing to testify were asked to simply state their name, and submit testimony if applicable.

SUE JOHNSON, President of the Bear Creek Council, submitted testimony in opposition to HB 645 (Exhibit 13).

MIRIAN SKERTICH, a Jardine resident, submitted testimony in opposition to HB 645 (Exhibit 14).

SANDY SEATON, a Livingston resident, submitted testimony (Exhibit 15).

NO FURTHER OPPONENTS

REP. KADAS asked Rep. Brown if it was his intention to exclude secondary impacts altogether, or to turn that question over to the local government and the mining companies.

REP. BROWN stated quite the contrary, he feels the basis of this compromised bill was formed on the fact that Rep. Ellison and himself firmly believe secondary population impacts are a necessity and should be included in the act. This bill doesn't do anything to change that consideration what it says is, it has that consideration and it's resulting solution takes place and it would only go to the Hard Rock Board, under this bill, as written now, if there is a major disagreement or an objection by the local governing units.

REP. ADDY referred to the bottom of page 7, and asked why are we limiting this to the county where the impact is forecasted to be the most positive. Why should not every county that has a substantial impact have a say.

REP. BROWN stated under the Hard Rock Act that's the basic mechanism of how it works, and there's a lead county and that county has the most signigicant impact, however, it does not mean that the other counties don't. He forgot to mention in his opening remarks that this was added to require a public hearing during that local process during those 90 days of consideration of impact, and to be sure that the local residents had the opportunity to voice their concerns about what the county government and the developer might put into an impact plan.

REP. ADDY stated this bill seems to say that the Hard Rock Mining Board can't involve itself in every impact plan of the Board and it can only involve itself where the county and the developer disagree, and he wondered what is wrong with that.

MR. WEDDEL stated the Board doesn't object to the change in the law, however, under current statute, the Board has interpreted that language to place a burden on the Board to make sure the document which is submitted, is a plan and not a blank sheet of paper. The Board feels that if the developer and a governing body agree to a plan which is not a statutory plan, the Board can't approve that and the Board feels under the current language, it has to include a document which is a plan, and that's where this technical compliance review has come from.

REP. RANEY asked Rep. Brown that if Jardine stated, secondary impacts would not be addressed with this new act, and the secondary impacts have been stricken from current law.

REP. BROWN stated he feels we have some confused folks about what is in this bill. However, he feels it is understandable and a legitimate question. In the Jardine case, he thinks that what he was saying was that the nature of secondary impact are particularly limited in the Jardine case. In the case of the opponents who testified against the bill, who were concerned about the impacts and as to whether or not they would be protected under this act, he stated quite frankly, it's a case of their reasonable concern. He stated there are a number of folks here trying to meld these things together so that we accommodate those concerns, but he stated the bottom line is it's one of the folks in the field worried about impacts, saying that this act is broke, and if it isn't broke, why fix it. When he saw the Administrative Code Committee bill, which he thought was unlivable, as did Rep. Ellison, there was clearly need for this bill to resolve those conflicts or we might have killed those bills. However, the concern was substantial enough that they might pass and use this act. In terms of secondary impact, he addressed Steve Doherty's concerns, stating he understands where he is coming from, however, in asking several different lawyers that have some knowledge of the Hard Rock Act, they seem to feel it was carefully drafted as with the Statement of Intent.

He stated regarding Mr. Doherty's concerns, he hopes he has come as far as he can to keep the compromise together and still try to protect all the parts, and he closed with this comment, by stating it's now up to the committee's judgement as to what to do from here. With that he urged the committee to support this bill, and thanked them for their time and consideration.

HEARING CLOSED ON HB 645.

ADJOURNMENT: Being no further business to come before the committee, the meeting was adjourned at 3:05 p.m.

TOM JONES, Chairman

DAILY ROLL CALL

NATURAL RESOURCES COMMITTEE

50th LEGISLATIVE SESSION -- 1987

Date Feb 16, 1987

NAME	PRESENT	ABSENT	EXCUSED
TOM JONES, CHAIRMAN	X		
CLYDE SMITH, VICE CHAIRMAN	X		
KELLY ADDY	X		
TOM ASAY	X		
JOHN COBB	X		
BEN COHEN	X		
ED GRADY	X		
JOHN HARP	X		
HAL HARPER	X		
MIKE KADAS	X		
AL MEYERS	X		
JOAN MILES	X		
MARY LOU PETERSON	X		
BOB RANEY	X		
RANDE ROTH	X		
ANGELA RUSSELL	X		
BRUCE SIMON	X		
BILL STRIZICH	X		
STAFF: EQC HUGH ZACKHEIM			

EXHIBIT 4
DATE 2-16-87
HB 645

Statement of Intent
HB645 -- Representative Dave Brown
February 16, 1987

A statement of intent is required for this bill in order to clarify the role of the hard-rock mining impact board. The amendments to section 3 of this bill are designed to ensure that the board is not involved in reviewing the plan unless objections are filed under 90-6-307 or amendments are sought under 90-6-311.

The amendment of section 8.104.203A, Administrative Rules of Montana, does not indicate a legislative intent to define population changes associated with a mineral development. This matter should be determined by the mineral developer and the affected local governments. The amendment further indicates that the legislature desires that the hard-rock mining impact board should not influence this determination by enacting rules on matters that should be the product of discussions between the mineral developer and the affected local governments, except when the board is required to address impact plan concerns during the objections and amendment processes.

This bill also attempts to stress the cooperative role of the mineral developer and the affected local governments in formulating the impact plan. The impact plan, as a result, should reflect the concerns and agreements among these entities. Furthermore, to ensure public involvement in the planning process, a mandatory public hearing is required.

EXHIBIT 5
DATE 2-16-87
HB 645

BEFORE THE HOUSE NATURAL RESOURCES COMMITTEE

FEBRUARY 16, 1987

TESTIMONY OF RICHARD M. WEDDLE, LEGAL COUNSEL
HARD-ROCK MINING IMPACT BOARD

MR. CHAIRMAN, MEMBERS OF THE COMMITTEE, MY NAME IS RICHARD WEDDLE, AND I AM LEGAL COUNSEL TO THE HARD-ROCK MINING IMPACT BOARD. I AM TESTIFYING ON BEHALF OF THE BOARD AS A PROPONENT OF HOUSE BILL 645.

HOUSE BILL 645 WOULD REDEFINE THE ROLES OF THE BOARD AND PARTICIPANTS IN REVIEWING IMPACT PLANS UNDER THE HARD-ROCK MINING IMPACT ACT. THE BILL WOULD RELIEVE THE BOARD OF ITS CURRENT RESPONSIBILITY TO ASSURE THAT IMPACT PLANS COMPLY WITH THE TECHNICAL REQUIREMENTS OF THE ACT. BY DOING SO THE BILL WILL ELIMINATE ANY APPREHENSION ON THE PART OF MINERAL DEVELOPERS AND LOCAL GOVERNING BODIES THAT THE BOARD MIGHT UNDULY INFLUENCE THE SUBSTANCE OF A PLAN. THIS REASSIGNMENT OF RESPONSIBILITIES WILL, OF COURSE, PLACE A HEAVY AND SINGULAR BURDEN ON MINERAL DEVELOPERS AND AFFECTED LOCAL GOVERNMENT UNITS TO DEVISE PLANS WHICH ARE NOT ONLY FAIR BUT COMPREHENSIBLE AND LEGALLY UNASSAILABLE. THE BOARD IS CONFIDENT THAT THE PARTICIPANTS WILL MEET THIS CHALLENGE.

THE PUBLIC POLICIES REFLECTED IN THE HARD-ROCK MINING IMPACT ACT, WHILE STRAIGHTFORWARD IN CONCEPT, HAVE BEEN EXTREMELY COMPLEX IN THE IMPLEMENTATION. THROUGHOUT THE SIX YEARS THAT IT HAS ADMINISTERED THE ACT THE BOARD HAS FREQUENTLY BEEN CONFRONTED WITH QUESTIONS NOT EASILY ANSWERED BY REFERENCE TO THE STATUTE, ITSELF. THE BOARD HAS ATTEMPTED TO RESOLVE THESE MATTERS BY CONSENSUS OF ALL INTERESTED PARTIES, WHERE A CONSENSUS COULD BE REACHED, AND, IN ALL CASES, IN WAYS WHICH CONFORM TO LEGISLATIVE INTENT AS REFLECTED BY THE LANGUAGE OF THE ACT AND BY LEGISLATIVE HISTORY.

THE BOARD SUPPORTS HOUSE BILL 645 AS IT HAS ALL EFFORTS TO CLARIFY AND SIMPLIFY THE ACT. AT THE SAME TIME, THE BOARD RECOGNIZES THAT ANY MODIFICATIONS OF SUCH A COMPLEX STATUTORY SCHEME ARE LIKELY TO GIVE RISE TO A NEW SET OF QUESTIONS. IN RESPONDING TO THESE QUESTIONS THE BOARD WILL BE GUIDED, AS ALWAYS, BY THE PUBLIC POLICY ESTABLISHED BY THE LEGISLATURE.

THE BOARD AND I WISH TO THANK YOU FOR THE OPPORTUNITY TO PRESENT TESTIMONY ON THIS BILL.

EXHIBIT 6
DATE 2-16-87
HB 645

Jardine Joint Venture
P.O. Box 92
Gardiner, MT 59030
406/848-7937

February 16, 1987

TESTIMONY ON AMENDMENTS TO
THE HARD ROCK MINING IMPACT ACT (HB-645)

My name is Mike McLean. I am the Project Manager at the Jardine Joint Venture, a proposed gold mining and processing facility located in southwestern Montana. The Jardine Joint Venture is a partnership between American Copper and Nickel Company and Homestake Mining Company. The Jardine Joint Venture is one of only four mining companies in Montana to have submitted, and received approval of, an Impact Plan, under the Hard Rock Mining Impact Act. The Jardine Joint Venture supported legislation leading to the Hard Rock Mining Impact Act, and has been an active participant in meetings of the Hard Rock Mining Impact Board since its inception.

I appreciate this opportunity to appear before you today, to present testimony on HB-645, Amendments to the Hard Rock Mining Impact Act. Although HB-645 involves several issues, I will restrict my comments today to three main points.

First, the Jardine Joint Venture is of the opinion that the legislative intent in writing the Hardrock Mining Impact Act did not contemplate an intensive review of the impact plan by the Hard Rock Mining Impact Board, where no disagreement over the plan exists at the local l ⁄el. While a so called "technical compliance" review does appear to be designed to avoid a substantive review of impact plans, we are concerned that a review for more than strictly technical aspects could go beyond the intent of Section 90-6-307 of the Montana Code. Further, contrary to the Hard Rock Mining Impact Board's position that it can not approve an impact plan unless it has been reviewed for technical compliance, the Jardine Joint Venture contends that the Board has no statutory authority to review such a plan, much less disapprove it, providing that the mineral developer and the local government units agree to the plan. As stated in 90-6-307, "...If no objection is received within the 90-day review period or any extension thereof, the impact plan SHALL BE APPROVED BY THE BOARD." HB-645 clarifies the Hard Rock Mining Impact Board's responsibility in the approval of an impact plan.

My second point involves the issue of indirect impacts. The Jardine Joint Venture contends that:

1. When the Hard Rock Mining Impact Act was originally drafted, it was never intended to include impacts not DIRECTLY caused by the mineral developer.

2. There is no mechanism or formula for accurately quantifying indirect impacts, nor is it the mineral developer's responsibility to attempt to do so.

3. Impact plans approved by units of local government and the Hard Rock Mining Impact Board to date, including the Jardine Joint Venture impact plan, have not considered indirect impacts.

A mineral developer has no role in hiring decisions made by local businesses. Requiring a mineral developer to in turn mitigate these potential impacts would be punitive and would seriously jeopardize the economic viability of potential mineral development projects and their contribution to Montana's economy. HB-645 recognizes this, and accurately reflects the legislative intent in enacting the Hard Rock Mining Impact Act, to NOT require mineral developers to consider indirect impacts.

Finally, although the Jardine Joint Venture recognizes that The Hard Rock Mining Impact Board's rule making is in part an effort to clarify its administration of the Hard Rock Mining Impact Act, the numerous policies and rules enacted by the Board have significantly expanded the Board's authority under the act.

In summary, local government should have the primary responsibility and authority for administration of the Hard Rock Mining Impact Act. The role of the Hard Rock Mining Impact Board should be one of an arbitrator, rather than that of a regulator. It is for these reasons, that the Jardine Joint Venture strongly supports HB-645.

Thank you for your time and consideration.

EXHIBIT 7
DATE 2-16-87
HB 645

PRACTICAL CONSTRAINTS ON THE USE OF ECONOMIC BASE THEORY TO MEASURE SECONDARY POPULATION CHANGES

Submitted By:

John S. Fitzpatrick
Manager of Administration
Centennial Minerals Inc.
Power Block West -- 3rd Floor
Helena, Montana 59601

July 25, 1986

A common procedure in the socioeconomic impact analysis of mineral facilities is to attempt to carry the population projections beyond a direct estimate of the number of workers and their families employed at the facility to identify potential population changes that might occur in the secondary or support sector of the economy. The derivation of secondary population estimates is grounded in economic base theory which divides an economy into two sectors, a basic or primary sector and a derivative or secondary sector. The basic sector consists of industries such as mining, manufacturing, and agriculture that export goods and services from the region while bringing in income. The secondary sector consists of support industries such as retail trade, services, and government who supply the daily needs of the resident population and who derive their initial source of income from the expenditures of wage payments and purchases of goods and services by industries in the basic sector. That income is then respent or turned over by support industries within the community and contributes to the sustenance of other local enterprises. Accordingly, each sector of the economy is represented by both an employment and population base. The employment base is simply the number of jobs that exist within each of the sectors, respectively. The population base is the number of workers and their families supported by those jobs. The

relationship between jobs in one sector and the other is reflected in an employment multiplier. For example, an employment multiplier of 2.4 indicates that one basic sector job supports 1.4 secondary jobs plus the basic sector position. Similarly, a population multiplier identifies how many persons are supported by one job.

While the use of multipliers is common within the impact assessment process it is, in fact, theoretical in nature. Economic base theory and, especially, the use of employment and population multipliers have a number of limitations that restrict its utility when examining small economies such as Montana cities or counties or, when used in conjunction with a specific industrial project. The main limitations include:

1. Economic base theory implicitly assumes the secondary sector is operating at capacity so that additional income generated by an expansion in the basic sector leads to increased demand for goods and services. In turn, the increase in demand requires an expansion in the secondary sector and its population base as well. In fact, it is the rare economy that is operating at capacity. Enterprises supplying support services will vary in their ability to absorb an increase in work, sales, or service but most have some margin of idle capacity that can be put to productive use before expansion is required.

2. Economic base theory is frequently interpreted to assume a direct cause and effect relationship between changes in the basic and secondary sectors. In fact, the relationship between the two sectors is more often one of association rather than cause and effect. Accordingly, the secondary sector is only <u>indirectly</u> affected by the basic sector.

The structure of the secondary sector consists of a number of individual entrepreneurs and decision makers each of whom mediates the relationship between the two sectors of the economy. Each actor reviews changes in the basic sector and responds according to the needs of his enterprise and available resources. One businessman witnessing an expansion in local employment and income may respond by hiring additional workers, another by paying overtime, a third by installing more efficient equipment, and a fourth by doing nothing at all. The opposite case also occurs. When a basic industry closes, support industries do not automatically retract and curtail employment.

3. The application of economic base theory exhibits varying levels of precision in tying job creation or population expansion to a specific location. The basis of the multiplicative relationship between sectors is the transfer of income. But, income is spent both in and outside the local area.

   Enterprises like mines have specialized equipment and material needs that are not routinely wholesaled in small towns. The acquisition of such supplies from places like Butte or Billings is a direct leakage of income and provides no basis for secondary sector expansion in the local area.

   The extent to which income is transferred from one market or economy to another also is constrained by non-economic forces such as land use patterns, the availability of housing and services, and transportation.

4. The effectiveness of economic base theory is limited when two or more major changes are taking place simultaneously or in a sequential fashion. Under such circumstances attributing the relative share of economic change to each action becomes a matter of assumption. Park County is an example. The reduction of employment by the Burlington Northern Railroad has been followed by the development activities of the Church Universal at the Royal Teton Ranch. In the next several months, the Jardine Joint Venture mine may open. A strict interpretation of economic base theory would imply a major job reduction in the secondary

sector and related population loss in the county as a result of lost railroad employment. That has not taken place to any significant degree. Unemployed railroaders remain in Livingston, some working at other jobs, some unemployed, and some commuting to work outside the community while the family remains in Park County. Likewise, the expansion of the Royal Teton Ranch has had no discernable economic impact in the form of job creation beyond the Ranch's own boundaries. In both cases, the individual decision making processes of the persons affected adds up to a result that is contrary to a strict interpretation of economic base theory. The process of personal adjustment to local economic circumstances adds confusion to attempts to specify how and what degree of future change in the economy is safe to attribute to job curtailment on the railroad, an improving market in the wood products industry, continued expansion at the Royal Teton Ranch, or the development of the proposed mine at Jardine.

NAME WARD A. SHANAHAN BILL NO. HB 645

ADDRESS 301 First Bank Bldg. P.O. Box 1715 Helena MT DATE 2-16-87

Tel: 442-8560

WHOM DO YOU REPRESENT CHEVRON Corporation

SUPPORT X X X X OPPOSE _____ AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

EXHIBIT 8
DATE 2-16-87
HB 645

Comments: Mr Chairman and members of the Committee:

I am the registered lobbyist for Chevron Corporation. I am pleased to present to you today Mr Joseph Dewey of Nye, Montana who is manager of the Stillwater Mining Company project to mine platinum and palladium in Stillwater County.

Mr. Deweys prepared remarks are hereby delivered to the Committee Secretary for distribution to the committee.

If any of you have questions for Chevron following the hearing, please write or call me at the above address.

Ward Shanahan

NAME: Joe Dewey BILL NO. HB 645

ADDRESS: Star Route, Box 365, Nye, Mt

WHOM DO YOU REPRESENT: Chevron Corporation

SUPPORT

Mr. Chairman, Members of the Committee:

My name is Joe Dewey. I'm here today representing Stillwater Mining Company, a partnership of Chevron, Manville and Lac Minerals. As many of you know, we are constructing the nation's first platinum and palladium mining operation in Stillwater County.

We expect our project to begin producing concentrate by April this year. Our current employment is over 220 workers--about half from the local area.

Before we received our operating permit, we were one of the first mineral developers to go through the community impact planning process set forth by the Hard Rock Impact Planning Act of 1981. It was a laborious process, fraught with uncertainty and, many felt, impossible to accomplish without long delays and outrageous costs.

We knew at the outset that the only way we were going to get through the impact plan development process was to be very "up-front" and open with local government. We were, and our plan was approved without a single objection filed with the Hard Rock Mining Board.

The Hard Rock Board itself had very little involvement in the planning process because we worked out all details of the plan with local government and we prepared the plan before many of the current regulations were adopted. The Board's staff made several comments of a very minor nature that had no effect on the substance of the plan. Their comments were handled through minor wording changes.

Even though we were able to work through the process, we have viewed with increasing concern the continuing expansion of regulations governing the impact planning process. Each of these rules further narrows the ability of a mineral developer to work in an open manner with local government. And, we believe, further erodes the underlying concept of the original law. That concept is that local government and mineral developers should mutually agree on a plan that sets up mechanisms for solving local problems potentially created by mineral development. The Hard Rock Board was to step in only if there was a dispute.

Now, we've got the Board deciding when a plan is a plan, defining the issues and impacts that have to be addressed, and otherwise constraining a process that we have demonstrated can work quite well without any state regulations.

The proposed legislation should not have been needed at all if the original intent of the bill had been given proper attention. Instead, a few vague words and phases in the original law have been used as justification for tedious and unnecessary rulemaking.

We understand that each impact plan that has been developed to date has been supported by the local governments. There hasn't been a dispute yet that has required Hard Rock board mediation.

For these reasons, we believe that HB 645 is needed to clarify the role of the Hard Rock Board. Regulatory zeal should not be allowed to continue to erode the ability of mineral developers and local governments to work out mutually agreeable plans for solving actual local problems. Let's let the impact planning process work as it was intended and quit wasting everyone's time in meaningless debate over issues that have little affect on "if" or "how" impact problems are solved.

We urge your support of HB 645 and thank you for this opportunity to comment.

Joe Dewey

4227W

EXHIBIT 4
DATE 2-16-87
HB 645

WESTERN ENERGY COMPANY

GENERAL OFFICE: 107 EAST GRANITE, BUTTE, MONTANA 59701
(406) 723-4349

2/13/87

Testimony Presented Before the House Natural Resource's Committee Concerning House Bill 645

Western Energy Company is a diversified coal and hard rock mining company with extensive mineral holdings in western Montana. Western Energy has identified a possible gold/silver mine project south of Winston, known as the Chartam Project. In addition, Western Energy is conducting other exploration activities in the western part of the state. Therefore, it has a vested stake in Montana hard rock mining, including the administration of the Hard Rock Impact Act.

Western Energy is not critical of recent actions taken by the Hard Rock Impact Board. The Hard Rock Impact Act contains some ambiguity, and an honest difference in interpretation has arisen. Western Energy recognizes the Board's rule making authority for the administration of the act, however, the Board has significantly modified and expanded the original act and its authority under the act. Rules have been proposed and adopted that would allow the Board to unilaterally act on the approval (or disapproval) of an Impact Plan, even though no objection is raised by a local government unit. (Note: The Chartam Project impact plan may need to be negotiated with 10-20 local government units!) Such unjustified action by the Board could cause not only a delay in the approval of the impact plan, but delay in the issuance of an operating permit and the ultimate development of the mine.

The drastic effects of a delay cannot be over emphasized. Factors already exist that stack the odds against the success of a mine development. Mineral prices on the international market are highly dynamic. Additionally, the proposed Chartam Project is a "heap leach" mine operation and, therefore, both the construction and operation of the mine are affected by Montana's seasonal climate conditions. For instance, a delay of one or two months in

EXHIBIT_____
DATE_____
HB_____

obtaining a permit could delay the return on a heap leach operation for six months to a year. Gold mining is risky enough without adding the regulatory uncertainty imposed by the present interpretation of the Hard Rock Mining Impact Act by the Board.

The solution to the present problem is presented in House Bill 645. This bill limits the mining company's financial responsibility to those provable burdensome impacts identified between the local government units and the mining company. This bill encourages cooperation between the local government units and the mining company. If an agreement is reached between these parties, no involvement by the Board is necessary. However, if an agreement cannot be reached concerning the impact plan, the Board serves the vital function of arbitrating disputes, which protects both the mining company and the local government units.

Western Energy Company urges your support of HB 645.

Western Energy Company
Arthur V. Wittich

TESTIMONY OF THE MONTANA MINING ASSOCIATION
BEFORE THE NATURAL RESOURCES COMMITTEE OF THE
MONTANA HOUSE OF REPRESENTATIVES
February 16, 1987
Gary A. Langley, Executive Director

10
DATE 2-16-87
HB 645

More than 20 years ago, Ralph McGill--then publisher of the Atlanta Constitution--won a Pulitzer Prize for his column, "A Church, A School."

In that legendary column, Mr. McGill described how blacks and whites in the South had worked together to build churches and schools. But, because of the policy of segregation and the landmark "Separate but Equal" ruling issued by the Supreme Court in 1954, Mr. McGill commented on the sad truth: That even though those folks had worked together to build churches and schools, they couldn't attend them together.

"A Church, A School" is appropriate to Montana today in the sense that we as a people must finally reject the mythology that large companies assault this state, rape the purity from Mother Earth and escape with the wealth.

The truth is that people, not companies, dig holes in the earth so that they can remove its bounty. A vast majority of these people are residents of the communities in which the mines are located. They dig the holes so they can earn good pay to feed and clothe their families and so they can contribute to the building of churches and other institutions important to the fabric of families.

With the money they've earned from digging the hole, they buy property and build homes. They then pay taxes on their incomes and their property with which to build schools, streets and highways, water and sewer systems that comprise the social, educational, civic and commercial needs of a community.

Together, the people of the community attend the churches and the schools and utilize the infrastructure that they collectively have built.

After the hole is dug and the wealth is removed, the people of the community reclaim the earth with modern technology and enlightened conservationism. They, like all others in Montana, want a clean environment and a stable family life in their towns.

They live here, too.

In most cases, whether they were born in Montana or live here by choice, they want to rear their children here, educate them in the school they have helped build and teach them spiritual and humanitarian values in churches they have helped build.

The mining company that hires these citizens to dig the hole in the earth must take a tremendous financial risk. In most

cases today, many millions of dollars must be invested.

First, the company--or an individual prospector--must discover a mineable ore deposit on the limited amount of land that is open to economic development and which continually is being withdrawn from that purpose. These days, the miner must then convince both the public and those in government that his operation will be conducted with environmental care and social consciousness. He also is required to spend additional money and much time to assess the environmental and social consequences his activity may cause. In the case of the Hardrock Mining Impact Act, a company that employs a mere 75 persons is defined as a "large scale" mineral developer and must agree--not just to pay--but to prepay its taxes to provide communities the ability to adjust to any changes the mining operation may cause.

The mining company is the only industry, business or citizen required to prepay its taxes.

The mining company also pays severance taxes, among the highest in the nation, on its production--as some policy makers have put it--to "compensate the people for the loss of a nonrenewable resource." This compensation is paid even though the company owns the resource and even though it may be operating at a loss.

Before any exploration or development began, it had claimed the resource under public laws meant to encourage productive development by the people for the public good.

Once the hole is dug, The People are compensated, wages are paid to the residents of the community who dug the hole, and those who loaned the mining company the money to make it possible for the churches and the schools to be built are repaid.

Then, if any profits are realized from the first activity, the people who work for the mining company explore for another deposit. If it is spared regulatory duress and excessive taxation and if land is available on which to explore and locate claims, the mining company may re-invest in Montana. The people of the community then will dig another hole so more churches and schools can be built.

About the same time that Ralph McGill won the Pulitzer Prize for "A Church, A School," a young heavyweight, previously known as Cassius Clay, was preparing to defend his title against Floyd Patterson, the former champion. Recently converted to the Moslem faith, the champion had changed his name to Muhammad Ali. During the ballyhoo before the match, Patterson continued to refer to his opponent as Cassius Clay in an apparent attempt to degrade the opponent. Ali tortured Patterson for 11 rounds

before finally delivering a knockout blow in the 12th. Each time he sent a thunderous blow into Patterson's body, he asked, "What's my name?"

Like Muhammad Ali, we the people of the mining industry in Montana, know who we are and who we are not. We are not the step-children of the Anaconda Company and the Standard Oil Company of a century ago, although we continue to do penance for their sins. We are the new generation of Montanans from Troy, Libby, Whitehall, Dillon, Jefferson City, Three Forks, Helena, Townsend, Nye, Jardine, Malta and, yes, Butte. We earn our living with environmental responsibility and social concern so we can build churches and schools. Like Muhammad Ali, we are proud of who we are and we are willing to fight to keep our good name.

This Legislature has within its power the ability to establish policy that will determine our future. We hope you will find in HB 645 a way for us to continue to build churches and schools in the communities in which we live, work and raise our families.

Thank you.

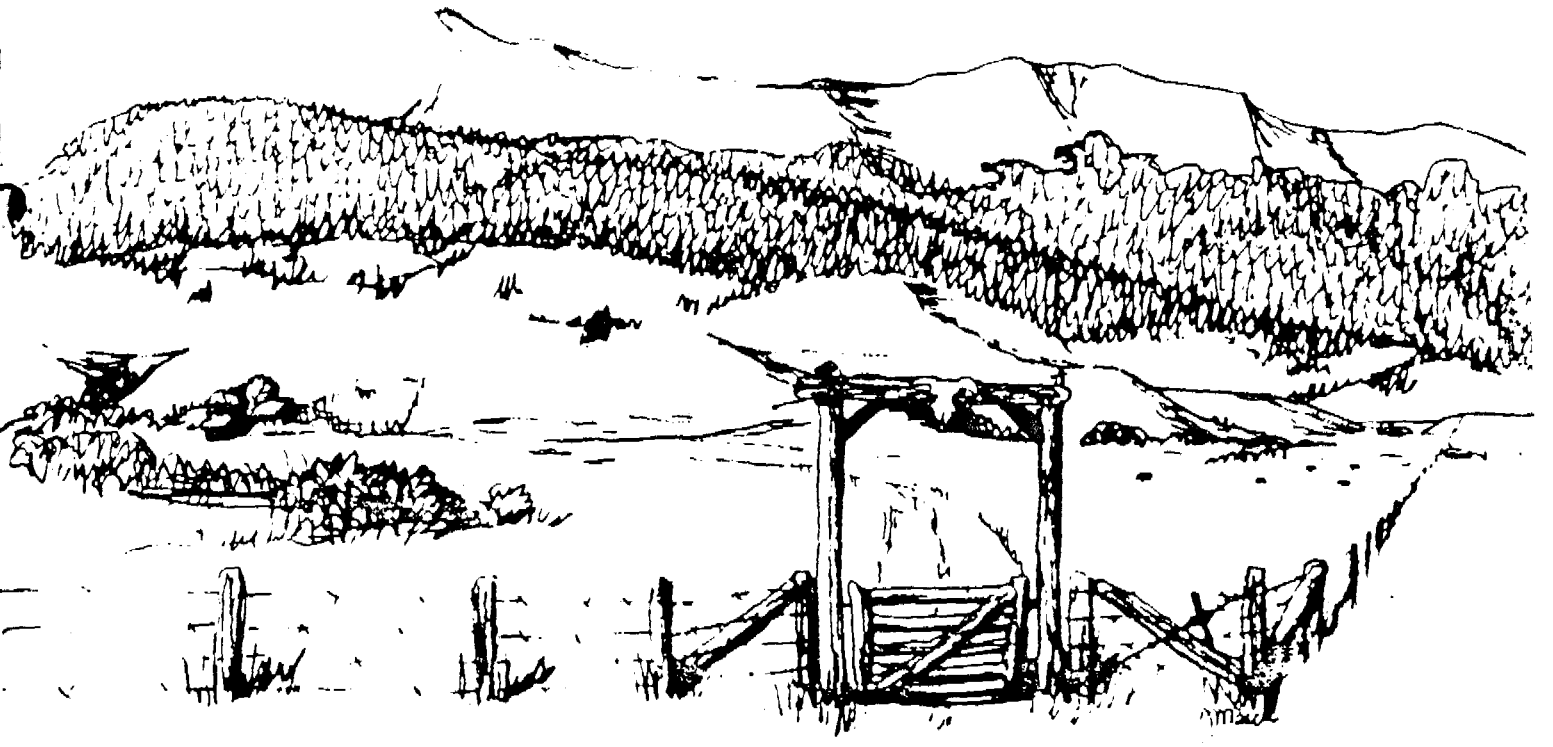

EXHIBIT 11
DATE 2-16-87
HB 645

February 16, 1987

TESTIMONY OF STILLWATER PROTECTIVE ASSOCIATION ON HB 645

My name is Steve Doherty. I am an attorney in private practice in Great Falls. I pay taxes in Stillwater and Sweetgrass Counties. I am testifying on behalf of the Stillwater Protective Association.

- I was there at the birth of HB 718 in 1981, A bargain was struck
- The Bill was viewed as an alternative to a hard rock severance tax
- The purpose was that current taxpayers not subsidize the front-end impacts of industrializing rural, agricultural areas

The goal of HB 645 is to promote administrative efficiency by insuring that the Hard Rock Impact Board not become involved until and unless it has to.

- HB 718 has worked because the proper balance has been struck
- HB 645 unintentionally upsets that balance and opens up a loophole, it changes the terms of the bargain that was struck in 1981

The changes affect the integrity of the Impact Act - Must oppose as written

HOW THE LOOPHOLE IS CREATED

--Language changes in Section Two

--Striking the Administrative Rule

HOW THE LOOPHOLE WOULD WORK IF HB 645 IS ENACTED AS IT IS WRITTEN

-There are impacts in an area

- Local government says all the impacts should be covered in the plan and sets a dollar figure at X dollars

- Mineral developer says only these impacts are to be covered, the dollar figure is Y

In the event of a dispute, under the terms of this Bill, the Hard Rock Impact Board gets involved.

- The Impact Board sides with the local government, the mineral developer cannot begin mining

- The aggrieved mining company goes to Court

The Court must decide if the Board's action was lawful. The Court must decide the intent of the legislation.

The winning legal argument is that the changes in HB 718 made by HB 645 evidence a legislative intent that not all impacts be accounted for. The Boards action was thus outside the law, and the permit should issue.

- Who makes up the difference between X and Y, who funds local services

The local taxpayers will have to make up the difference

HB 645 can accomplish efficiency without compromising the integrity of the Hard Rock Impact Act. Amend out the language changes in Section 2 and the Administrative Rules, leave these current sections of the law inact. No problem in supporting HB 645 if this is done.

Final point - the so called taxpayers revolt will pale in comparison if current taxpayers are forced to subsidize costs more appropriately borne by the mineral developer.

SUGGESTED AMENDMENTS TO HB 645

Section 2, page 5

Strike on line 8:

~~directly related to the area of the~~ development

The sentence would then read:

The large-scale development of mineral deposits in the state ~~causes~~ may cause an influx of people into the are of the development many times larger than the number of people directly involved in the mining operation. This influx of people and the corresponding increase in demand for local government facilities ~~creates~~ may create a burden on the local taxpayer.

Section 6, page 13

Strike all the language which strikes the definition in Subsection (1) ---

The 'estimated number of persons coming into the impact area as a result of the development' means: And continue on through subsections (a) through (c).

12

DATE 2-16-87

HB 645

BEAR CREEK COUNCIL

BOX 448, GARDINER, MT. 59030

Mr. Chairman, members of the Committee, for the record I am Richard Parks, owner of the Parks' Fly Shop in Gardiner and a member of the Bear Creek Council for whom I appear today. Our organization is a Gardiner-Jardine area citizens group affiliated with the Northern Plains Resource Council. Our members are land owners, small business people and tax payers. HB-645 could narrow fatally the definition of what could be considered the impact of a mining development and since we have one of these projects in our back, or in some cases our front yard, this concerns us a great deal.

The Hard-Rock Impact Act, which this bill would amend, has been working quite well for several years. We can not understand why it should be desirable to repeal a rule that is at the very heart of it's functionality. It has been suggested by industry proponents that the act has been "bad for business" but no one has produced any evidence of this alleged affect. The appeal for this bill is based on two great errors. The first of these is an error of fact - that somehow the problems we are experiencing in Montana's economy can be traced to our "over zealous" regulations or to "punitive" tax laws. The second is an error of fallacious, I am tempted to say felonious, analogy. Both of these errors are promoted under the general rubric of "improving the business climate."

The fact of the matter is that Montana's economy is sick because of a national agricultural policy that is driving our people off the land. The fact of the matter is that Montana's economy is sick because of the depressed nature of the global energy market. The regulations targetted by this bill did not create the problems and their repeal will not change those economic facts. We assure you that an impact requiring the expenditure of public funds in any county is just the same whether it is caused by a miner or by a person or business which follows the miner to service him or his project. We think it is a particularly perverse kind of property tax reform to shift the burden of such impacts from the development which caused them to the innocent citizen who did not. We think it is a particularly perverse kind of "improvement in the business climate" to subsidize the profits of one business with the tax dollars of pre-existing firms whose own ability to show a profit may be directly reduced by the activities of the newcomer.

EXHIBIT 15
DATE 2-16-87
HB 645

BEAR CREEK COUNCIL

February 16 1987

Testimony in opposition to HB 645. Before House Natural Resources Comm.

Mr. Chairman and Members of the House Natural Resource Committee, For the record, my name is Sue Johnson and my husband Warren and I work and live just south of Jardine, Montana. I am president of a local citizens group, the Bear Creek Council, and it is on their behalf that I'm testifying today.

Mr. Chairman, Bear Creek Council consists of ranchers, small business people, outfitters and other taxpaying citizens who are deeply concerned with the intent of House Bill 645.

I'd like to acknowledlege the efforts of Representative Brown and Ellison to reach a comprimise with this bill. We question though, why such a comprimise is even needed. The socio-econo ic impact act, House Bill 718, has worked for over 5 years. The Mining Associations claims that the adoption of rules that further define industries economic responsibilities was beyond the scope of the hard rock board begs the question of who is responsible for increased service costs created by hard rock mining!

MR. Chairman, of course the hard rock industry should not pick up the tab for every Mini-mart that opens. We have never suggested that. But, as "responsible" corporate neighbors, they should be responsible for those quantifiable costs associated with an influx of people into an area that is a result of large scale hard rock mining.

WE AGAIN ASK, WHY IS THIS "HOUSECLEANING" BILL NEEDED? Has any hard rock mining company been denied a permit because of the Hard Rock Act? The answer is no! Has any mining industry been unduly burdened with a finding of significant impact? The answer is again, NO!

Mr. Chairman, to get to the nearest community, Gardiner, my family and I must drive right through the proposed mine. Bear Creek Council has not opposed the Jardine Joint Venture, but we should not, as property owners be asked to subsidize increased service costs caused by the influx of a large numbers of people into our county. HB 645 is a first step in shifting fiscal impact responsibilities from the hard rock mining industry to local property taxpayers [illegible]

EXHIBIT 14
DATE 2-16-87
HB 645

Testimony in opposition to
HB 645. February 16, 1987

Mr. Chairman, my name is MIriam Skertich and I live in Jardine, Montana and work in Livingston. I drove fram Jardine this morning to testify in opposition to House Bill 645.

Mr. Chairman, my husband is a carpenter and drives a bus for Yellowstone National Park, and I'm a nurse in Livingston. We hear time and time again about the need to send positive signals to large industrial industries so that we can improve Motana's business climate and create high paying jobs. Well Mr. Chairman, my husband and I are Montanans, we have a daughter in school and we are taxpayers. Should we be asked to shoulder the increased service costs associated with large scale industrial development? As property owners and taxpayers, we say no!

How much longer are the common folk of Montana going to be asked to carry the tax burden caused by the continual shifting of taxes from corporations to property owners under the umbrella of sending a positive signal and creating a good business climate?

Mr. Chairman, House Bill 718 has worked for over 5 years, and we have not heard today <u>any</u> concrete reasons why it should be changed!

If this bill is not an attempt to shift the costs of increased services caused by large scale hard rock mining from the companies creating the impact to the taxpayer, then why is even before the committee.

Mr. Chairman, on behalf of my taxpaying family I ask you to oppose House Bill 645. Thank you.

Miriam Skertich

15
2-16-87

Testimony presented in opposition to HB 645
February 16, 1987

HB 645

Mr. Chairman, and members of the House Natural Resources Committee. For the record, my name is Sandy Seaton. I'm a guide ~~and outfitter~~ from Park County and I presently live in Livingston, Montana.

Park County is where the proposed Jardine Joint Venture Gold mine is to be located. The socio-economic impact statement prepared for this project concluded that there would be no significant impact and other than the road to the mine, there would be no major cost to the companies involved.

However, this conclusion was based on the availability of Housing and school space in the community of Livingston. Since that time, ~~many~~ if not most of the available housing in Livingston has been occupied by incoming members of the Church Universal Triumphant. While that is predicted to change, the point is , the basis for the impact plans conclusions of no significant impact may no longer be valid. If roads, housing and sewer systems need to be provided for people coming into the area due to the mine, I shouldn't have to pay or subsidize for these increased services.

Mr. Chairman, this bill appears to narrow or send a message that limits the responsibilities of the hard rock mining industry to pay for public services that wouldn't have been needed if the development hadn't occurred. As a taxpayer I urge you not to set up a situation where I would be subsidizing a large scale mineral sevelopment.

Thank you for the opportunity to comment in opposition to HB 645.

Sandy Seaton

VISITORS' REGISTER

NATURAL RESOURCES - COMMITTEE

BILL NO. HB 645, 677, 718, 729 DATE Feb. 16, 1987

SPONSOR Brown, Zapp Stroot, Harper, Winslow

NAME (please print)	REPRESENTING	SUPPORT	OPPOSE
~~Mike Mc~~	~~WETA~~	~~645~~	
Art Wittich	Western Energy	645	
Ward Shanahan	Chevron	645	
Ed R Dewey	Stillwater Mining Co	645	
Dick Dodge	Econ Cons NW	645	
Linda Priest	Economic Consultants NW	645	
Richard Weddle	Hard Rock Mining Ind. Bu	645	
Donald K Schmitz	Jefferson County	645	
Ed Jasmin	Hard Rock Mining Ind Bu	645	
George Ochenski	Mt. Env. Inf. Cntr	718, 729	
Richard P...	ICC		645
M... S...			
	ICC		
Jim Nutt	Bear Creek Council		645
Jerry Barker	Resource Committee Montana Wood Products Ass		677
	...	MFSOC	645
John Fitzpatrick	Pegasus Gold Corp	645	
Tim Collins	ASARCO, INC.	645	
D.O. Suhr	" "	645	

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR WITNESS STATEMENT FORM

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITORS' REGISTER

_____ COMMITTEE

BILL NO. HB 682 DATE 2/10/87

SPONSOR Spaeth

NAME (please print)	REPRESENTING	SUPPORT	OPPOSE
Martha Lauterbach	Alberta School Boards	HB682	
Sandy Merdinger	League of Women Voters	HB729 HB718	
Sandee McLean	~~Jacklin~~ Joint Venture ~~[redacted]~~ Gardiner	HB-645	

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR WITNESS STATEMENT FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

BILL NO. 645 DATE

SPONSOR

NAME (please print)	REPRESENTING	SUPPORT	OPPOSE
Mary A Lane, Atty	Mt. Mining Assn	645	
John Beaudry	Stillwater County	—	—
Michael McLean	Yardarm Joint Venture	645	
James B McCauley	Jefferson Co. Commissioners	645	

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR WITNESS STATEMENT FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

EXECUTIVE SESSION

REP. KADAS moved HB 812 be TABLED, as Rep. Rapp-Svrcek had asked them to do. Question was then called, the motion CARRIED unanimously.

Chairman Jones stated since they are waiting for Rep. Keenan in order for her to present her bill, they would continue with Executive Session.

HOUSE BILL NO. 645: Rep. Harp moved HB 645 DO PASS. Rep. Kadas moved to amend and distributed copies of his amendments (Exhibit 3). He stated he felt it was very clear from Rep. Brown's testimony the intent of the bill was to allow so that the only time the Board reviewed a plan, was when the local government disagreed with the plan. But that wouldn't eliminate secondary impacts from the scope of the plan. He stated what his amendment does, is simply clarify the purpose section that the plan would include both primary and secondary impacts, and it restricts the Board from being involved in the plan until a local government says there is a problem. In his questions to Rep. Brown, he felt this was his intention, and he thinks it's important to that secondary impacts stay in the law as a part of something that local governments are allowed to consider and he feels his amendments clarify this situation.

Question was then called on the amendment, the motion FAILED unanimously.

REP. HARPER then proposed a set of amendments and distributed copies to the committee (Exhibit 3a). He then moved his amendments and explained that they don't change the intent or the effect of the bill at all. There are two technical problems in the bill, that he feels need to be addressed. One being, there's no way for a local government unit that feels they are affected but are not included in the plan to even get notification that this is happening. There has got to be a method whereby a local government unit that might be even closer to the development than the developer states in the impact, there has got to be a way those people can state they will be affected, more than the others, and should be included. The second part being, the plan is to be approved without any review by the Board and Department, and one of the reasons the Board was set up, was to make sure not only that there is a framework to hammer out these agreements in, but that the agreements would be readable, understandable and enforceable, because in many cases, the local governing bodies just don't have the resources to make sure that what soulds good in the plan, is actually enforceable. He feels putting these changes in the bill, will make it much more workable.

Question being called on the Harper amendments, the motion CARRIED, with Reps. Simon, Grady, Harp, Cobb, Smith and Jones voting NO.

REP. HARP moved HB 645 DO PASS AS AMENDED. Question being called, the motion CARRIED, with Reps. Cohen, Addy, Asay, Kadas, Raney, Russell and Strizich voting NO.

REP. PETERSON moved the Statement of Intent to the bill DO PASS. Question was called, a voice vote was taken, the motion CARRIED unanimously.

Rep. Keenan has appeared to present her bill, and Chairman Jones closed Executive Session for now.

HOUSE BILL NO. 830: REP. NANCY KEENAN, District #66, stated the bottom line of HB 830 is the public's right-to-know. Presently, most small mining preliminary environmental reviews are confidential. She stated what this bill does is provide that all activities conducted subsequent to exploration and other associated facilities, shall be public information of the environmental review they are asking for. Presently, if you ask for this review at the Department, they will simply give you the name of the company, and perhpas the county. If you don't know what impacts it may have in your area, we have absolutely no idea of what impact it has to the water, and lakes in the area, and the potential for any impacts that may exist in these areas. She stated most feel this is a good public policy and a "right-to-know" about bill, and she urged the committee to pass this bill, reserving the right to close.

PROPONENTS: GEORGE OCHENSKI representing the Montana Environmental Information Center stated MEIC does support this bill, because it really is a public policy issue. He stated the reason this bill is before you now, has a lot to do with some complaints that were received last summer in the Sweetgrass Hills, and a mine that was being constructed near Georgetown Lake. He stated near this lake, there is a moving water table, and when they dug the pits in this high water table area, he called the Department of State Lands, and asked if he could be informed about what was in fact going on with the pits they were digging. He stated the Department offered the name of the company and the county of operation and that was all the Department cared to offer. He felt this would not help, because he wanted to know what was going to be put in the pits, and the Department would not release this information. So, he feels this bill will help to serve as a public policy bill, stressing the need for the public's right-to-know. He urged the committee's passage of this bill.

DAILY ROLL CALL

NATURAL RESOURCES COMMITTEE

50th LEGISLATIVE SESSION -- 1987

Date Feb. 20, 1987

NAME	PRESENT	ABSENT	EXCUSED
TOM JONES, CHAIRMAN	✓		
CLYDE SMITH, VICE CHAIRMAN	✓		
KELLY ADDY	✓		
TOM ASAY	✓		
JOHN COBB			✓
BEN COHEN	✓		
ED GRADY	✓		
JOHN HARP	✓		
HAL HARPER	✓		
MIKE KADAS	✓		
AL MEYERS	✓		
JOAN MILES	✓		
MARY LOU PETERSON	✓		
BOB RANEY	✓		
RANDE ROTH	✓		
ANGELA RUSSELL	✓		
BRUCE SIMON	✓		
BILL STRIZICH	✓		
STAFF: EQC HUGH ZACKHEIM			

STANDING COMMITTEE REPORT

FEBRUARY 20 19 87

Mr. Speaker: We, the committee on NATURAL RESOURCES

report HB 645

☒ do pass ☐ be concurred in ☒ as amended
☐ do not pass ☐ be not concurred in ☒ statement of intent attached

Rep. TOM JONES Chairman

I.

1. Page 3.
Following: line 3
Insert: "(3) An affected local government unit that has not been identified in an impact plan submitted to the board as being likely to experience increased capital and operating costs for providing services which can be expected as a result of the development may object to the impact plan under the provisions of this section."

Renumber: subsequent subsections

2. Page 10, line 25.
Following: "under"
Strike: "subsection"
Insert: "subsections"

3. Page 11, line 1.
Following: page 10
Insert: "and (3),"

II.

1. Page 8, line 15.
Following: "approved"
Strike: "without any review"

2. Page 8, line 16.
Following: "board"
Insert: ", subject only to a technical review for clarity and enforceability of the plan"

FIRST reading copy (WHITE color)

50th Legislature

STATEMENT OF INTENT

H Bill No. 645

A statement of intent is required for this bill in order too clarify the role of the hard-rock mining impact board. The amendments to section 3 of this bill are designed to ensure that the board is not involved in reviewing the plan unless objections are filed under 90-6-307 or amendments are sought under 90-6-311.

The amendment of section 8.104.203A, Administrative Rules of Montana, does not indicateda legislative intent to define population changes associated with a mineral development. This matter should be determined by the mineral developer and the affected local governments. The amendment further indicates that the legislature desires that the hard-rock mining impact board should not influence this determination by enacting rules on matters that should be the product of discussions between the mineral developer and the affected local governments, except when the board is required to address impact plan concerns during the objections and amendment processes.

This bill also attempts to stress the cooperation role of the mineral developer and the affected local governments in formulating the impact plan. The impact plan, as a result, should reflect the concerns and agreements among these entities. Furthermore, to ensure public involvement in the planning process, a mandatory public hearing is required.

EXHIBIT 3
DATE 2-20-87
HB 645

PROPOSED AMENDMENTS TO HB 645
REP. KADAS

1. Title, line 6.
   Following: "PEOPLE"
   Strike: "DIRECTLY"

2. Page 5, line 8.
   Following: line 7
   Strike: "directly related to"
   Insert: "into"

3. Page 5, line 10.
   Following: "~~operation~~"
   Insert: "many times larger than the number of people directly involved in the mining operation"

EXHIBIT 3a
DATE 2-20-87
HB 645

PROPOSED AMENDMENTS TO HB 645
REP. HARPER

I.

1. Page 8.
Following: line 3
Insert: "(5) An affected local government unit that has not been identified in an impact plan submitted to the board as being likely to experience increased capital and operating costs for providing services which can be expected as a result of the development may object to the impact plan under the provisions of this section."
Renumber: subsequent subsections

2. Page 10, line 25.
Following: "under"
Strike: "subsection"
Insert: "subsections"

3. Page 11, line 1.
Following: page 10
Insert: "and (6)"

II.

1. Page 8, line 15.
Following: "approved"
Strike: "without any review"

2. Page 8, line 16.
Following: "board"
Insert: ", subject only to a technical review for clarity and enforceability of the plan"

Statement of Intent
HB645 -- Representative Dave Brown
February 16, 1986

A statement of intent is required for this bill in order to clarify the role of the hard-rock mining impact board. The amendments to section 3 of this bill are designed to ensure that the board is not involved in reviewing the plan unless objections are filed under 90-6-307 or amendments are sought under 90-6-311.

The amendment of section 8.104.203A, Administrative Rules of Montana, does not indicate a legislative intent to define population changes associated with a mineral development. This matter should be determined by the mineral developer and the affected local governments. The amendment further indicates that the legislature desires that the hard-rock mining impact board should not influence this determination by enacting rules on matters that should be the product of discussions between the mineral developer and the affected local governments, except when the board is required to address impact plan concerns during the objections and amendment processes.

This bill also attempts to stress the cooperative role of the mineral developer and the affected local governments in formulating the impact plan. The impact plan, as a result, should reflect the concerns and agreements among these entities. Furthermore, to ensure public involvement in the planning process, a mandatory public hearing is required.

Rep. Iverson explained the bill would be made more clear if each committee member had a "water basin map" in his possession and Rep. Iverson said distribution of maps would be made to members in the near future.

Rep. Iverson gave the committee secretary a witness statement signed by Jo Brunner that states that the Montana Water Development Association supports HB 408.

PROPONENTS: Gary Fritz, Department of Natural Resources, explained the department supports the bill because clarification is made that reserve water cannot be used in the basin different than where water is diverted, with an exception. Mr. Fritz cited the exception that was made in the Milk River project where water was diverted from St. Mary's into the Milk River Basin. Mr. Fritz explained that exceptions are beneficial to the state as a whole and HB 408 clarified that this can be done under special circumstances.

OPPONENTS: None.

QUESTIONS (AND/OR DISCUSSION) FROM THE COMMITTEE: None.

CONSIDERATION OF HOUSE BILL 645: Rep. Dave Brown, District 72, stated that in the last six months or so there has been a dispute brewing regarding operation of the Hard-Rock Mining Impact Board. In 1981 the Hard-Rock Mining Act was passed, and several modifications have been made since, and basically it is working remarkably well. The need for this bill came out of problems that developed last fall regarding secondary impacts. Rep. Brown said he felt the Code Committee went "too far too fast" last fall with its rule. Page 5, lines 7-11, did not change the intent, but the word "may" was included so as not to be a presumption on the impact plan. Page 6, lines 16-18 basically say that the impact plan will be developed by the developer and local government units at the local level. As long as there isn't any problem, the Hard-Rock Mining Impact Board would not get involved.

A provision was added requiring a public hearing by local governments. Typically, a local government unit will hold a hearing about the fiftieth day so that there is time to take into account any public reaction on the impact plan that is drawn up. Rep. Brown concluded his introduction by saying that Sen. Hammond would appreciate carrying the bill in the Senate.

PROPONENTS: Rich Weddle, Legal Counsel to the Hard-Rock Mining Impact Board, testified that HB 645 would redefine

the roles of the participants in the review of impact plans under the Hard-Rock Mining Impact Act and thus, relieve the Board of its current responsibility to assure that impact plans comply with the technical requirements of the act. (Exhibit 3)

Gary Langley, Montana Mining Association, explained that delays have occurred due to administrative rules, and HB 645 would prevent some of these delays. Also, Mr. Langley said that HB 645 restricts the authority as originally intended. Mr. Langley was emphatic in saying that the mining industry in Montana is not a stepchild of the Anaconda Company and Standard Oil Company of a century ago, but of Montanans who earn their living with environmental responsibility and social concerns. (Exhibit 4)

Dave Suhr, ASARCO, Inc., Troy, MT, spoke in support of HB 645 because he felt the bill clarified legislative intent, and at the same time will protect individual communities from any adverse impact. ASARCO Troy Unit began prior to the enactment of the original Hard-Rock Impact Act. In the process, ASARCO hired as many local people as possible; however, technical people had to be brought into Montana from elsewhere. Many of the technical people are accustomed to sound governmental services--good schools, hospitals, etc.--and the local people are also desirous of these services. Therefore, it becomes in the best interest of the mining company if the company is either able to provide these services or support these services. As the Troy Unit was being developed, many services were provided by ASARCO that were not required; such as, payment to hospitals, equipment to schools, support to fire districts, etc. Projects are not unique even though they are not required. House Bill 645 would shift the requirement to the local units of government who are more in tune with the needs of the community; and for this reason, Mr. Suhr asked for passage of HB 645.

Ward Shanahan, Chevron Corporation, distributed testimony prepared by Mr. Joseph Dewey of Nye, Montana, manager of Stillwater Mining Co. (Exhibit 5) Mr. Shanahan commented that it is his belief that local developers and local governments should work together to solve mutual problems and the Hard-Rock Board should step in only to settle a dispute. Mr. Shanahan said the proposed legislation (HB 645) should not have been needed at all if the original intent of the Hard-Rock Mining Act had been given attention. A few vague words and phrases in the original law had been used for justification for tedious and unnecessary rulemaking. HB 645 is intended to clarify the role of the board so that the impact mining process can be improved.

John Fitzpatrick, representing Montana Tunnels, Pegasus Coal Corporation, and Homestake Mining Co., stated that he supported testimony provided by the proponents and said he would be happy to answer questions.

Mike Micone, representing Western Environmental Trade Association, supported HB 645.

Art Wittich represented Western Energy Company and explained that the key issue on House Bill 645 is local control. Local government units are in the best position to ascertain impacts from mining developments and they also have the most to gain or lose. Costs of deals are enormous and Mr. Wittich cited the Chartam Project as an example. Mr. Wittich ended his testimony by urging the committee to support HB 645 in its unamended form. (Exhibit 6)

Joe Weggeman. represented the Helena Chamber of Commerce, and testified on behalf of HB 645.

Doug Schmidtz, Jefferson County Commissioner, supported HB 645, and said he feels fortunate that there are two mines in his county.

OPPONENTS: Richard Parks, representative of Bear Creek Council, said HB 645 would impair significantly the local governments ability to negotiate the impacts associated with a mining development. Mr. Parks stated that the Council was particularly concerned about the new Statement of Intent and suggested an amendment. (Exhibit 7)

Russ Brown, from Northern Plains Resource Council, stated that for six years the law was working well under the guidelines that had been established, and HB 645 is unnecessary; therefore, he expressed opposition to HB 645.

QUESTIONS (AND/OR DISCUSSION) FROM COMMITTEE: Sen. Lynch asked Rep. Brown to comment on Mr. Park's amendment and Rep. Brown said that the amendment would do no more than what is involved in the bill already.

When Senator Halligan asked Mr. Shanahan about interaction between local government and DNRC if an unobjectionable plan should be submitted, Mr. Shanahan (representing Chevron) said the Board should be arbitrator and not a reviewer and in current law, there was no clarity on where to stop impacts. The original bill did not set up the board as a review. The Board's staff makes many suggestions that sow dissention. Mr. Shanahan said that HB 645 would remove openendedness,

and would not prohibit the government units from talking with the board.

However, when the same question was addressed to Mr. Weddle by Sen. Halligan, Mr. Weddle explained that in his opinion the Board would not have authority to render assistance unless an objection were filed; but Sen. Brown reiterated that the bill would not prohibit informal interaction with the board.

Sen. Weeding asked who pays for the plan, and it was explained that the cost of the project is borne by the developer by statutory requirement.

Sen. Weeding then asked about the appeals procedure and Rep. Brown's reply was that the premise is that all input should go through local government units. Rep. Brown made it clear that HB 645 states a requirement for a public hearing.

Sen. Yellowtail asked for an explanation about delays in the projects in which several proponents made reference. Mr. Langley explained there were several in Montana Tunnels project. John Fitzpatrick reported that Montana Tunnels worked throughout the process in 1985, negotiated 12 different settlements with the county; and the plan was submitted to the board. The Board said there were flaws in the plan which were merely technicalities. For example, the Company agreed to pay a fixed sum of money for roads; the Board said the company was paying too much. Several months later Tunnels presented a financial guarantee, but had to rewrite the agreement before the financial guarantee could be approved. Montana Tunnels has never had any objection to technical assistance, but Mr. Fitzpatrick said the board and staff should not be involved in the negotiations process.

In response to Sen. Yellowtail's next question, Mr. Fitzpatrick said the Board's input was not relevant.

CLOSING: Rep. Brown stated that the Hard-Rock statute is a blank check bill for local government units.

H.B. 645 would make it clear that the developer and local government have to negotiate with each other without interference from the board unless there is an objection or subsequent amendment to the plan. The Statement of Intent is very clear that this bill would still retain the protections built into the original act and Rep. Brown urged support from the committee for passage of HB 645.

Senator Keating called the meeting to order for executive session.

ROLL CALL

NATURAL RESOURCES COMMITTEE

50th LEGISLATIVE SESSION -- 1987 Date MARCH 9,

NAME	PRESENT	ABSENT	EXCUSED
Sen. Tom Keating, Chairman	✓		
Sen. Cecil Weeding, Vice Chairman	✓		
Sen. John Anderson	✓		
Sen. Mike Halligan	✓		
Sen. Delwyn Gage	✓		
Sen. Lawrence Stimatz	✓		
Sen. Larry Tveit	✓		
Sen. "J.D." Lynch	✓		
Sen. Sam Hofman	✓		
Sen. William Yellowtail	✓		
Sen. Elmer Severson	✓		
Sen. Mike Walker	✓		

Each day attach to minutes.

SENATE NATURAL RESOURCES
EXHIBIT NO. 3
DATE March 9, 198
BILL NO. 645

BEFORE THE SENATE NATURAL RESOURCES COMMITTEE

MARCH 9, 1987

TESTIMONY OF RICHARD M. WEDDLE, LEGAL COUNSEL
TO THE HARD-ROCK MINING IMPACT BOARD

HOUSE BILL 645

MR. CHAIRMAN, MEMBERS OF THE COMMITTEE, MY NAME IS RICHARD WEDDLE, AND I AM LEGAL COUNSEL TO THE HARD-ROCK MINING IMPACT BOARD. I AM TESTIFYING ON BEHALF OF THE BOARD AS A PROPONENT OF HOUSE BILL 645, AS PASSED BY THE MONTANA HOUSE OF REPRESENTATIVES.

HOUSE BILL 645 WOULD REDEFINE THE ROLES OF THE PARTICIPANTS IN THE REVIEW OF IMPACT PLANS UNDER THE HARD-ROCK MINING IMPACT ACT. THE BILL WOULD RELIEVE THE BOARD OF ITS CURRENT RESPONSIBILITY TO ASSURE THAT IMPACT PLANS COMPLY WITH THE TECHNICAL REQUIREMENTS OF THE ACT. BY DOING SO THE BILL WILL ELIMINATE ANY APPREHENSION THAT MAY EXIST ON THE PART OF MINERAL DEVELOPERS AND LOCAL GOVERNING BODIES THAT THE BOARD MIGHT UNDULY INFLUENCE THE SUBSTANCE OF A PLAN. THIS REASSIGNMENT OF RESPONSIBILITIES WILL, OF COURSE, PLACE A HEAVY AND SINGULAR BURDEN ON MINERAL DEVELOPERS AND AFFECTED LOCAL GOVERNMENT UNITS TO DEVISE PLANS WHICH ARE NOT ONLY FAIR BUT COMPREHENSIBLE AND LEGALLY UNASSAILABLE. THE BOARD IS CONFIDENT THAT THE PARTICIPANTS WILL MEET THIS CHALLENGE.

THE PUBLIC POLICIES REFLECTED IN THE HARD-ROCK MINING IMPACT ACT, WHILE STRAIGHTFORWARD IN CONCEPT, HAVE BEEN EXTREMELY COMPLEX IN THE IMPLEMENTATION. THROUGHOUT THE SIX YEARS THAT IT HAS ADMINISTERED THE ACT THE BOARD HAS FREQUENTLY BEEN CONFRONTED WITH QUESTIONS NOT EASILY ANSWERED BY REFERENCE TO THE STATUTE, ITSELF. THE BOARD HAS ATTEMPTED TO RESOLVE THESE MATTERS BY CONSENSUS OF ALL INTERESTED PARTIES, WHERE A CONSENSUS COULD BE REACHED, AND, IN ALL CASES, IN WAYS WHICH CONFORM TO LEGISLATIVE INTENT AS REFLECTED BY THE LANGUAGE OF THE ACT AND BY LEGISLATIVE HISTORY.

THE BOARD SUPPORTS HOUSE BILL 645 AS IT HAS ALL EFFORTS TO CLARIFY AND SIMPLIFY THE ACT. AT THE SAME TIME, THE BOARD RECOGNIZES THAT ANY REORDERING OF SUCH A COMPLEX STATUTORY SCHEME MAY LIKELY GIVE RISE TO A NEW SET OF QUESTIONS. IN RESPONDING TO THESE QUESTIONS THE BOARD WILL BE GUIDED, AS ALWAYS, BY THE PUBLIC POLICY ESTABLISHED BY THE LEGISLATURE.

THE BOARD AND I WISH TO THANK YOU FOR THE OPPORTUNITY TO PRESENT TESTIMONY ON THIS BILL.

TESTIMONY OF THE MONTANA MINING ASSOCIATION
BEFORE THE NATURAL RES RCES COMMITTEE OF THE
MONTANA HOUSE OF REPRESENTATIVES
February 16, 1987
Gary A. Langley, Executive Director

SENATE NATURAL RESOURCES
EXHIBIT NO. 4
DATE March 9, 1987
BILL NO. 645

More than 20 years ago, Ralph McGill--then publisher of the Atlanta Constitution--won a Pulitzer Prize for his column, "A Church, A School."

In that legendary column, Mr. McGill described how blacks and whites in the South had worked together to build churches and schools. But, because of the policy of segregation and the landmark "Separate but Equal" ruling issued by the Supreme Court in 1954, Mr. McGill commented on the sad truth: That even though those folks had worked together to build churches and schools, they couldn't attend them together.

"A Church, A School" is appropriate to Montana today in the sense that we as a people must finally reject the mythology that large companies assault this state, rape the purity from Mother Earth and escape with the wealth.

The truth is that people, not companies, dig holes in the earth so that they can remove its bounty. A vast majority of these people are residents of the communities in which the mines are located. They dig the holes so they can earn good pay to feed and clothe their families and so they can contribute to the building of churches and other institutions important to the fabric of families.

EXHIBIT NO. 41 p 2
DATE March 9, 1987
BILL NO. HB645

With the money they've earned from digging the hole, they buy property and build homes. They then pay taxes on their incomes and their property with which to build schools, streets and highways, water and sewer systems that comprise the social, educational, civic and commercial needs of a community.

Together, the people of the community attend the churches and the schools and utilize the infrastructure that they collectively have built.

After the hole is dug and the wealth is removed, the people of the community reclaim the earth with modern technology and enlightened conservationism. They, like all others in Montana, want a clean environment and a stable family life in their towns.

They live here, too.

In most cases, whether they were born in Montana or live here by choice, they want to rear their children here, educate them in the school they have helped build and teach them spiritual and humanitarian values in churches they have helped build.

The mining company that hires these citizens to dig the hole in the earth must take a tremendous financial risk. In most

SENATE NATURAL RESOURCE
EXHIBIT NO. 4 (p 3)
DATE March 9/9
BILL NO. HB 645

cases today, many millions of dollars must be invested.

First, the company--or an individual prospector--must discover a mineable ore deposit on the limited amount of land that is open to economic development and which continually is being withdrawn from that purpose. These days, the miner must then convince both the public and those in government that his operation will be conducted with environmental care and social consciousness. He also is required to spend additional money and much time to assess the environmental and social consequences his activity may cause. In the case of the Hardrock Mining Impact Act, a company that employs a mere 75 persons is defined as a "large scale" mineral developer and must agree--not just to pay--but to prepay its taxes to provide communities the ability to adjust to any changes the mining operation may cause.

The mining company is the only industry, business or citizen required to prepay its taxes.

The mining company also pays severance taxes, among the highest in the nation, on its production--as some policy makers have put it--to "compensate the people for the loss of a nonrenewable resource." This compensation is paid even though the company owns the resource and even though it may be operating at a loss.

EXHIBIT NO. 4 (p.4)
DATE 7 March 1987
BILL NO. HB644

Before any exploration or development began, it had ~~claimed~~ the resource under public laws meant to encourage productive development by the people for the public good.

Once the hole is dug, The People are compensated, wages are paid to the residents of the community who dug the hole, and those who loaned the mining company the money to make it possible for the churches and the schools to be built are repaid.

Then, if any profits are realized from the first activity, the people who work for the mining company explore for another deposit. If it is spared regulatory duress and excessive taxation and if land is available on which to explore and locate claims, the mining company may re-invest in Montana. The people of the community then will dig another hole so more churches and schools can be built.

About the same time that Ralph McGill won the Pulitzer Prize for "A Church, A School," a young heavyweight, previously known as Cassius Clay, was preparing to defend his title against Floyd Patterson, the former champion. Recently converted to the Moslem faith, the champion had changed his name to Muhammad Ali. During the ballyhoo before the match, Patterson continued to refer to his opponent as Cassius Clay in an apparent attempt to degrade the opponent. Ali tortured Patterson for 11 rounds

SENATE NATURAL RESOURCE
EXHIBIT NO. 4 (p 5)
DATE March 9, 19
BILL NO. HB 645

before finally delivering a knockout blow in the 12th. Each time he sent a thunderous blow into Patterson's body, he asked, "What's my name?"

Like Muhammad Ali, we the people of the mining industry in Montana, know who we are and who we are not. We are not the step-children of the Anaconda Company and the Standard Oil Company of a century ago, although we continue to do penance for their sins. We are the new generation of Montanans from Troy, Libby, Whitehall, Dillon, Jefferson City, Three Forks, Helena, Townsend, Nye, Jardine, Malta and, yes, Butte. We earn our living with environmental responsibility and social concern so we can build churches and schools. Like Muhammad Ali, we are proud of who we are and we are willing to fight to keep our good name.

This Legislature has within its power the ability to establish policy that will determine our future. We hope you will find in HB 645 a way for us to continue to build churches and schools in the communities in which we live, work and raise our families.

Thank you.

NAME WARD A. SHANAHAN BILL NO. HB 645

ADDRESS 301 First Bank Bldg. P.O. Box 1715, Helena, MT DATE 03/09/87
Tel: 442-8560
WHOM DO YOU REPRESENT CHEVRON CORPORATION

SUPPORT XXX OPPOSE AMEND

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

SENATE NATURAL RESOURCES
EXHIBIT NO. 5
DATE March 9, 1987
BILL NO. HB645

Comments:

Mr. Chairman and members of the Committee:

I am the registered lobbyist for Chevron Corporation. I am pleased to present to you today Mr. Joseph Dewey of Nye, Montana who is manager of the Stillwater Mining Company project to mine platinum and palladium in Stillwater County.

Mr. Dewey's prepared remarks are hereby delivered to the Committee Secretary for distribution to the Committee.

If any of you have questions for Chevron following the hearing, please write or call me at the above address.

Ward A. Shanahan

NAME: Joe Dewey BILL NO. HB 645

ADDRESS: Star Route, Box 365, Nye, Mt

WHOM DO YOU REPRESENT: Chevron Corporation

SUPPORT

SENATE NATURAL RESOURCES
EXHIBIT NO. 5 (p.1 of Attach)
DATE March 9, 1987
BILL NO. HB645

Mr. Chairman, Members of the Committee:

My name is Joe Dewey. I'm here today representing Stillwater Mining Company, a partnership of Chevron, Manville and Lac Minerals. As many of you know, we are constructing the nation's first platinum and palladium mining operation in Stillwater County.

We expect our project to begin producing concentrate by April this year. Our current employment is over 220 workers--about half from the local area.

Before we received our operating permit, we were one of the first mineral developers to go through the community impact planning process set forth by the Hard Rock Impact Planning Act of 1981. It was a laborious process, fraught with uncertainty and, many felt, impossible to accomplish without long delays and outrageous costs.

We knew at the outset that the only way we were going to get through the impact plan development process was to be very "up-front" and open with local government. We were, and our plan was approved without a single objection filed with the Hard Rock Mining Board.

The Hard Rock Board itself had very little involvement in the planning process because we worked out all details of the plan with local government and we prepared the plan before many of the current regulations were adopted. The Board's staff made several comments of a very minor nature that had no effect on the substance of the plan. Their comments were handled through minor wording changes.

Even though we were able to work through the process, we have viewed with increasing concern the continuing expansion of regulations governing the impact planning process. Each of these rules further narrows the ability of a mineral developer to work in an open manner with local government. And, we believe, further erodes the underlying concept of the original law. That concept is that local government and mineral developers should mutually agree on a plan that sets up mechanisms for solving local problems potentially created by mineral development. The Hard Rock Board was to step in only if there was a dispute.

Now, we've got the Board deciding when a plan is a plan, defining the issues and impacts that have to be addressed, and otherwise constraining a process that we have demonstrated can work quite well without any state regulations.

The proposed legislation should not have been needed at all if the original intent of the bill had been given proper attention. Instead, a few vague words and phases in the original law have been used as justification for tedious and unnecessary rulemaking.

We understand that each impact plan that has been developed to date has been supported by the local governments. There hasn't been a dispute yet that has required Hard Rock board mediation.

For these reasons, we believe that HB 645 is needed to clarify the role of the Hard Rock Board. Regulatory zeal should not be allowed to continue to erode the ability of mineral developers and local governments to work out mutually agreeable plans for solving actual local problems. Let's let the impact planning process work as it was intended and quit wasting everyone's time in meaningless debate over issues that have little affect on "if" or "how" impact problems are solved.

We urge your support of HB 645 and thank you for this opportunity to comment.

Joe Dewey

4227W

SENATE NATURAL RESOURCES
EXHIBIT NO. 5 (p.2 attach.)
DATE March 9, 1987
BILL NO. HB 645

WESTERN ENERGY COMPANY

GENERAL OFFICE: 107 EAST GRANITE, BUTTE, MONTANA 59701
(406) 723-4349

3/9/87

Testimony Presented Before the Senate Natural Resources Committee in Support of House Bill 645

Western Energy Company is a diversified coal and hard rock mining company with extensive mineral holdings in western Montana. Western Energy has identified a possible gold/silver mine project south of Winston, known as the Chartam Project. In addition, Western Energy is conducting other exploration activities in the western part of the state. Therefore, it has a vested stake in Montana hard rock mining, including the administration of the Hard Rock Impact Act.

Western Energy is not critical of recent actions taken by the Hard Rock Impact Board. The Hard Rock Impact Act contains some ambiguity, and an honest difference in interpretation has arisen. Western Energy recognizes the Board's rule making authority for the administration of the act, however, the Board has significantly modified and expanded the original act and its authority under the act. Rules have been proposed and adopted that would allow the Board to unilaterally act on the approval (or disapproval) of an Impact Plan, even though no objection is raised by a local government unit. (Note: The Chartam Project impact plan may need to be negotiated with 10-20 local government units! If none of these units object to the plan, why should the Board have the power to determine a flaw exists, even though it may only be "technical," and in effect refuse to approve the plan?) Such unjustified action by the Board could not only cause a delay in the approval of the impact plan, but consequently delay the issuance of an operating permit and the ultimate development of the mine.

The drastic effects of a delay cannot be over emphasized. Factors already exist that stack the odds against the success of a mine development. Mineral prices on the international market are

SENATE NATURAL RESOURCES
EXHIBIT NO. 6
DATE March 9, 1987

highly dynamic. Additionally, the proposed Chartam Project is a "heap leach" mine operation and, therefore, both the construction and operation of the mine are affected by Montana's seasonal climate conditions. For instance, a delay of one or two months in obtaining a permit could delay the return on a heap leach operation for six months to a year. Gold mining is risky enough without adding the regulatory uncertainty imposed by the present interpretation of the Hard Rock Mining Impact Act by the Board.

The solution to the present problem is presented in House Bill 645. This bill limits the mining company's financial responsibility to those provable burdensome impacts identified between the local government units and the mining company. This bill encourages cooperation between the local government units and the mining company. If an agreement is reached between these parties, no involvement by the Board is necessary. However, if an agreement cannot be reached concerning the impact plan, the Board serves the vital function of arbitrating disputes, which protects both the mining company and the local government units.

Western Energy Company urges your support of HB 645.

Western Energy Company
Arthur V. Wittich

SENATE NATURAL RESOURCES
EXHIBIT NO. 6 (p2)
DATE March 9, 1987
BILL NO. HB 645

SENATE NATURAL RESOURCES
EXHIBIT NO. 7
DATE March 10, 1989
BILL NO. HB645

BEAR CREEK COUNCIL

BOX 448, GARDINER, MT. 59030

Mr. Chairman, members of the Committee, for the record I am Richard Parks, owner of the Parks' Fly Shop in Gardiner and a member of the Bear Creek Council for whom I appear today. Our organization is a Gardiner-Jardine area citizens group affiliated with the Northern Plains Resource Council. Our members are land owners, small business people and tax payers. HB-645 could, as presently drafted, impair significantly a local government's ability to negotiate the impacts associated with a major mining development to the detriment of the taxpayer.

The Hard-Rock Impact Act, which this bill would amend, has been working quite well for several years. It has been suggested by industry proponents that the act has been "bad for business" but no one has produced any evidence of this alleged affect. I read the testimony presented by the members of the Mining Association on this bill at its hearing in the House, hoping to find in there a clue as to what might be wrong with the law. I was disappointed, but not surprised, to find that they have nothing in hand but a dissatisfaction with the Hard-Rock Impact Board's ability to read.

In our view the new requirement that the local government hold a public hearing on the Impact Plan is an improvement but we are very concerned about the new statement of Legislative Intent. It seems to us that the language in lines 12 through 15 on page 1 could act to place the local government unit at a severe disadvantage vis-a-vis a developer in the process of negotiating an impact plan. This is certainly intended by the industry to restrict what can be considered an impact by the local government units. We assure you that an impact requiring the expenditure of public funds in any county is just the same whether it is caused by a miner or by a person or business which follows the miner to service him or his project or simply shows up on a prospect. We think it is a particularly perverse kind of property tax reform to shift the burden of such impacts from the development which caused them to the innocent citizen who did not. We have no desire to make the modern mining industry pay for Anaconda's sins but by the same token we have no wish to be made to pay for a new hangover just because an industry is unwilling to internalize its true costs.

We suggest that HB-645 should be amended on line 15 following "local governments" with the insertion of the following - <u>WITH FULL RECOGNITION THAT THESE CHANGES MAY NOT BE RESTRICTED TO THE PERSONNEL OF THE DEVELOPER.</u> Unless the bill is so amended we request that HB-645 recieve a **DO NOT PASS** recommendation. Thank You.

DATE

COMMITTEE ON

VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One: Support	Check One: Oppose
JOE WEGGENMAN	HELENA CHAMBER OF COMM	645	✓	
Dave Suhr	ASARCO, INC HB	645	✓	
Tim Rollins	" " HB	645	✓	
Ward Shanahan	CHEVRON	645	✓	
Russell Hill	Dept of Commerce	645	✓	
Richard M. Weddle	Mt. Hard Rock Mining Trade Bd.	HB 645	✓	
~~TERRY ANDERSON~~	~~SHELL WESTERN E&P INC~~	~~SB 162~~	~~✓~~	
~~Doug Abelin~~	~~MONTANA OIL & GAS~~	~~SB 55 SB 162~~	~~✓~~	
Doug Schmidt	Jefferson County	645	✓	
RICHARD BROWN	DNRC	HB 398	✓	
		HB 408	✓	
Mark Simonich	MONTANA MINING ASSN	HB 645	✓	
Jack Brown	Mucky	355 406	✓	
Richard Parks	BCC	HB 645		✓
Mike Micone	WETA	HB 645	✓	
John Kammerzell	Pegasus Gold Corp	HB 645	✓	
Ross Brown	NPRC	HB 645		✓
DAVE BROWN	Sponsor Rep. HB 172 (Butte)	HB 645	✓	

(Please leave prepared statement with Secretary.)

(This sheet to be used by those testifying on a bill.)

NAME: Richard M. Weddle DATE: 3/9/87

ADDRESS: Dept. of Commerce, Loc. Gov't Asst Divisi

PHONE: 444-2718

REPRESENTING WHOM? Mont. ~~Dept.~~ Hard Rock Mining Impact

APPEARING ON WHICH PROPOSAL: HB 645

DO YOU: SUPPORT? ✓ AMEND? _____ OPPOSE? _____

COMMENT:

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

MINUTES OF THE MEETING
NATURAL RESOURCES COMMITTEE
MONTANA STATE SENATE

March 16, 1987

An Executive Session of the Senate Natural Resources Committee was called to order at 1:00 p.m., March 16, 1987, by Chairman Thomas Keating in Room 405, State Capitol.

ROLL CALL: All members were present with the exceptions of Sens. Weeding and Severson who were excused.

DISPOSITION OF HOUSE BILL 397: Passage of HB 397 would increase the kilovolt threshold for transmission lines under the Major Facility Siting Act.

Sen. Walker moved that the amendements that were presented to the committee by Rep. Spaeth, sponsor of SB 397, on March 11 be ADOPTED. Motion CARRIED unanimously.

Sen. Lynch moved that HB 397 AS AMENDED BE CONCURRED IN.

Sen. Halligan explained for the record that the large landowners would be affected by HB 397; and once the utility company would obtain 75% approval, a small landowner could be right in the middle with little or no input. Before the vote was taken, Sen. Halligan asked the committee to question in their own minds whether they believed that Montana Power Company is a good corporate citizen and would deal with all the landowners "up front."

Motion CARRIED unanimously.

DISPOSITION OF HOUSE BILL 645: Passage of HB 645 would clarify impact plan section of the Hard-Rock Mining Impact Act. Sen. Lynch moved that HB 645 BE CONCURRED IN. A Roll Call Vote was taken. There were six who voted "yes," and four who voted "no." Sens. Weeding and Severson were allowed to enter their vote in writing subsequent to the meeting. Sen. Weeding voted "no." (Exhibit 1) Sen. Severson voted "yes." (Exhibit 2)

Motion CARRIED with a majority vote.

There being no further business before the committee, Sen. Keating adjourned the meeting at 1:10 p.m.

Thomas F. Keating
THOMAS F. KEATING, Chairman

nm

ROLL CALL VOTE

SENATE COMMITTEE NATURAL RESOURCES

Date 3-16-87 House Bill No. 645 Time 1:09

NAME	YES	NO
Sen. Tom Keating, Chairman	✓	
Sen. Cecil Weeding, Vice Chairman		
Sen. John Anderson	✓	
Sen. Mike Halligan		✓
Sen. Delwyn Gage	✓	
Sen. Lawrence Stimatz		✓
Sen. Larry Tveit	✓	
Sen. "J.D." Lynch	✓	
Sen. Sam Hofman	✓	
Sen. William Yellowtail		✓
Sen. Elmer Severson		
Sen. Mike Walker		✓

Nadine McCurdy
Secretary

Senator Tom Keating
Chairman

Motion: HB645 be concurred in.

March 16, 1987

SENATE NATURAL RESOURCES
EXHIBIT NO. 1
DATE 3-16-87
BILL NO. HB 645

TO: Sen. Weeding

FROM: Nadine McCurdy, Secretary
Natural Resources

RE: HB 645

Attached is the roll call vote for HB 645. Please check below your vote.

MOTION: HOUSE BILL 645 BE CONCURRED IN.

YES_____

NO ✓

SIGNATURE Carol Weeding

March 16, 1987

SENATE NATURAL RESOURCES
EXHIBIT NO. 2
DATE 3-16-87
BILL NO. HB645

TO: Sen. Severson

FROM: Nadine McCurdy, Secretary
Natural Resources

RE: HB 645

Attached is the roll call vote for HB645. Please check below your vote.

MOTION: HOUSE BILL 645 BE CONCURRED IN.

YES ✓

NO _____

SIGNATURE Allen A. Severson

ROLL CALL

NATURAL RESOURCES COMMITTEE

50th LEGISLATIVE SESSION -- 1987 Date 3-16

NAME	PRESENT	ABSENT	EXCUSED
Sen. Tom Keating, Chairman	✓		
Sen. Cecil Weeding, Vice Chairman			X
Sen. John Anderson	✓		
Sen. Mike Halligan	✓		
Sen. Delwyn Gage	✓		
Sen. Lawrence Stimatz	✓		
Sen. Larry Tveit	✓		
Sen. "J.D." Lynch	✓		
Sen. Sam Hofman	✓		
Sen. William Yellowtail	✓		
Sen. Elmer Severson			X
Sen. Mike Walker	✓		

Each day attach to minutes.

March 16 19 37

MR. PRESIDENT

We, your committee on NATURAL RESOURCES

having had under consideration HOUSE BILL No. 645

THIRD reading copy (BLUE color)

CLARIFIES IMPACT PLAN SECTION OF HARD-ROCK MINING IMPACT ACT

BROWN (HAMMOND)

Respectfully report as follows: That HOUSE BILL No. 645

BE CONCURRED IN

~~DO PASS~~

~~DO NOT PASS~~

SENATOR THOMAS F. KEATING, Chairman.